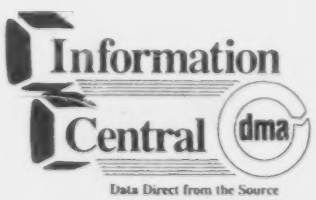
H4620-14

1990-91

DIRECT MARKETING ASSOCIATION'S

STATISTICAL FACT BOOK

CURRENT INFORMATION ABOUT
DIRECT MARKETING



The Direct Marketing Association, Inc., established in 1917, is the oldest and largest international trade association representing users, creators and suppliers of direct mail advertising and other direct marketing techniques. DMA's 6,000+ members from 3,000+ companies represent a cross section of business and are located in all 50 states and 55 other countries.

printed on recycled paper

©Direct Marketing Association, Inc. 1990
Printed in the U.S.A.

ISSN 1049-6092
ISBN 0-933641-23-0

PREFACE

The Direct Marketing Association's 1990/91 Statistical Fact Book offers a quantified view of the "state-of-the-art" for virtually all aspects of direct marketing. In the direct marketing field we are experiencing an explosion of information--new markets opening up, new media applications, the tremendous impact of the computer and other new technologies as well as the web of state and federal government influences. Information Central, the information arm of DMA, functions to broaden awareness and understanding of direct marketing, and to increase the effectiveness and efficiency of its techniques. The Fact Book is designed to provide statistical support to help marketers achieve this goal.

Significantly, Information Central is uniquely positioned to develop, acquire and compile direct marketing data which detail the status and direction of the direct response industry. The book is divided according to five broad areas of direct marketing that staff has identified using their extensive working knowledge of the industry:

* Direct Response Advertising
* Media
* Lists/Databases
* Market Applications
* Practical Management Information

The purpose of this statistical resource is to provide direct marketers easy access to authoritative data that will be helpful in making informed marketing decisions and media choices, in supporting proposed business and marketing strategies, and in making the most cost effective expenditure decisions. More than 320 charts and graphs:

* Highlight important media and market growth and usage trends by specific media and markets

* Pinpoint consumer and business attitudes and buying habits concerning direct marketing

* Quantify and compare marketers' outlooks and expectations on key issues

* Provide valuable expenditure, production and operating cost figures

...and new this year:

* Identify direct marketers' attitudes, concerns, and policies regarding specific environmental issues

The 1990/91 Statistical Fact Book is designed not only to provide the latest direct marketing statistics, but also to indicate how the numbers were derived. All primary research studies used and their sources are listed by title, sample and respondent size and by type of methodology used. Other sources are recognized by citations within individual sections. In addition, indexes are included for easy access to specific data and sources.

ACKNOWLEDGEMENTS

Acknowledgement is very much deserved by the many individuals and organizations who provided the information and research data that make this book a substantive resource. On an individual basis, each research study, compilation and projection in this book deserves merit. Collectively, they offer a valuable picture of the scope and direction of the direct marketing field.

A very fine staff of DMA Information Specialists -- Nilda Castillo, Christopher Fine, Anthony Ciacchetto, Lynn Hanau, and Maryann Marsalisi -- researched, acquired and re-drafted the materials for this edition. Special recognition goes to Geoffrey Coulter who helped to organize, interpret, and update this year's information. Gerald Wattley and Sajira Figueroa played key support roles in making sure these materials were processed in an orderly fashion.

In addition, special thanks goes to Anna Pedreiro of DMA's Production staff, who supervised graphic production.

All have contributed a service to the direct marketing field as this data will no doubt have applications to all the direct marketers and other users of this year's edition.

Allison Cosmedy
Project Director &
Publications Specialist
Information Central

Ann Zeller
Vice President,
Information & Special
Projects

Table of Contents

DIRECT RESPONSE ADVERTISING

PAGES

CONSUMER ATTITUDES

Use of Consumer Information by Direct Marketers 3

BUYING HABITS

Items Ordered by Mail or Phone in Last 12 Months 4, 5
People Who Have Ordered by Mail or Phone 6
Total Amount Spent on Merchandise & Services Ordered by Mail or Phone 7
Mail And Phone Orders 8
Frequency of Consumer Direct Marketing Purchases In Past Year 9

COSTS

1990 Direct Response Advertising Salaries 10, 11
Direct Response Advertising Agencies U.S. Gross Billings 12

TRENDS

Media Unit Cost Trends 13
Estimated 1988–1989 U.S. Ad Volume 13
Estimated Annual U.S. Advertising Expenditures 1981–1989 14
Estimated Annual U.S. Advertising Expenditures 1972–1980 15
Estimated Annual U.S. Advertising Expenditures 1963–1971 16
Estimated Annual U.S. Advertising Expenditures 1954–1962 16
Estimated Annual U.S. Advertising Expenditures 1946–1953 17
Estimated Annual U.S. Advertising Expenditures 1938–1945 17
Total Population Ordering Via Mail or Telephone: 1989 vs. 1988 18
Means of Promotion For Direct Marketing Purchases 19
Percentage of All Advertising Spending Going To Each Media: 1989 vs. 1979 19
Mail Order Companies in The Fortune 500 ..... 20, 21, 22
Advertising/Sales Promotion Spending By Company Size 23
Projected Breakdown of 1990 Advertising/Sales Promotion Budgets By Percentage 23
Importance of Each Overall Objective As A Reason For Participating in Future Electronic Promotions 24
Experience With Electronic Retail Promotions 25
Whether Concern For The Use of Consumer Information Is Genuine Or Blown Out of Proportion: Leaders 25

MEDIA

PAGES

• DIRECT MAIL

CONSUMER ATTITUDES

Usefulness of Third-Class Regular Mail Piece By Shape 31
Percentage of Adults Who Throw Out Direct Mail Without Opening It 31

BUYING HABITS

Percent of Total Population Ordering Products by Phone or Mail 32, 33
Seasonality Study/Five-Year Averages, All Categories 34
Seasonality Study—Business/Finance 35
Seasonality Study—Cultural Readings 35
Seasonality Study—Educational, Technical, Professional 36
Seasonality Study—Entertainment 36
Seasonality Study—Fund Raising 37
Seasonality Study—General Readings 37
Seasonality Study—Health 38
Seasonality Study—Hobbies-Related Subjects 38
Seasonality Study—Home Interest 39
Seasonality Study—Parents and Children 39
Seasonality Study—Self Improvement 40
Consumer Reading Habits of Third-Class Mail 40
Average Number of Mail Pieces Received Per Week 41
Treatment of Third-Class Regular Mail Piece by Shape 41
Third-Class Bulk Regular Mail Reaction by Selected Industry 42
Response to Third-Class Bulk Regular Mail Piece by Age of Head of Household 42
Third-Class Regular Mail Reaction by Selected Industries 43
Third-Class Bulk Regular Mail Reaction by Selected Industry 44
Treatment of Third-Class Regular Mail Piece by Familiarity with Organization 45
Usefulness of Third-Class Regular Mail Piece by Familiarity with Organization 45
Response to Third-Class Bulk Regular Advertising by Shape 46
Response to Third-Class Bulk Regular Mail Piece by Education of Head of Household 46
Response to Third-Class Bulk Regular Mail Piece by Income 47
Receipt of First- And Third-Class Mail by Number of Mail Order Purchases Made in the Past Year 48
Number of Mail Order Purchases Within The Last Year by Income 48
Methods of Response Media to Third-Class Bulk Regular in 1988 49
1989 Mail Order Sales 50
Leading U.S. Companies 1989 Mail Order Sales 51, 52, 53
Total Population Ordering by Mail 54

COSTS

Costimator/Litho Letters (Not Personalized) 55
Costimator/Computerized Letters (Personalized) 56
Costimator/Carrier Envelopes 57
Costimator/Reply Envelopes 57
Costimator/Reply Cards/Order Forms 57
Costimator/Self-Mailing Formats 58
Costimator/Brochures, Folders, Etc. 58

Costimator/Bind-In Reply Formats 58
Costimator/Lettershop Operations 59
Costimator/Miscellaneous Direct Mail Items 59
Direct Mail Sample Working Budget 60

TRENDS

Advertising Expenditures on Direct Mail: 1980–1989 61
Third-Class Bulk Regular Mail Zip Code Usage by Shape 61
Satisfaction with Merchandise Received Through the Mail 62
Media Choice for Responding to Mail Order Offers 62
Third-Class Bulk Regular Mail Received by Household by Shape 63
Third-Class Bulk Mail Received 63
Third-Class Bulk Regular Content of Mailpiece 64
Third-Class Bulk Regular Mail/Addressee by Presort Category 64
Third-Class Bulk Regular Demographics 65
Primary Objectives for Direct Mail 66
Critical Success Factors Perceived by Direct Mailers 66

ENVIRONMENTAL CONCERNS

Perceived Impact on Environmental Issues 67
Environmental Issues Relating Directly to Direct Marketers' Business 68
Seriousness of Environmental Issues Affecting Direct Marketers' Business 68
Obstacles to Solving Environmentally-Related Business Problems 69
Incentives to Overcome Obstacles Regarding Environmentally-Related Business Problems 69
Customer Complaints/Concerns Regarding Environmental Issues 70
Topics of Customer-Expressed Environmentally Related Complaints/Concerns 70
Current and Intended Programs to Address Environmental Questions 71
Domestic Waste Paper Consumption by End Use 72
Paper Leads Recycling 73
Potential Waste Paper Recovery Rates 73

• CATALOG

CONSUMER ATTITUDES

Overall Attitude Toward Buying Via Catalog in Specific Product Categories 77

BUYING HABITS

Percentage of Consumers Who Look Through Catalogs Received 78
Catalogs—Number of Purchases in Last 12 Months 79
Adults Who Have Bought Merchandise From a Catalog In the Last 12 Months 80
Number of Times Adults Have Bought Merchandise From A Catalog in the Last 12 Months 80
Catalogs Adults Have Bought Merchandise From in the Last 12 Months 81
Percentage of Orders Placed by Phone, Mail or Fax 82
Percentage of Customers Who Pay by Credit Card 83
Percentage of Customers Who Pay by Check 83
Types of Products Purchased Through Catalogs 84

COSTS

Catalogers That Have Upgraded or Downgraded Paper Quality in the Past 12 Months . 85
Expenditures Per Page on Art Work, Type, and Mechanicals 86
Expenditures Per Page on Color Separations 86
Shipping And Handling Policies 87

Catalogers Who Pay Postage Costs for Returned Merchandise 87
Percentage of Printing Costs for Paper 88
Catalog Cost Ranges 88
1990 Catalog Salaries 89

TRENDS

Leading Catalogs 90
Catalogs Mailed Per Year; 1982–1989 91
Typical Catalog Response Curve 91
Top Five Issues Most Concerning Catalogers 92
Top Five Sources of Merchandise 92
Anticipated Reactions to Postal Rate Hike by Direct Marketing Agency Executives 93
Impact of Proposed Postal Increase 93
Attitudes Toward Alternate or Private Delivery 94
Percentage of Catalogers Concerned with International Marketing 94
Catalogers Who Have Used National Change of Address (NCOA) 95
Catalog Usage 1989 vs. 1988 95
Methods of Market Research Employed by Catalogers 96
Lifetime Value of a Customer 96
Personalization in Catalogs 97
How Often Catalogers State Their Guarantee in Their Catalogs 97
Catalogers Who Have an 800 Number and/or a Regular Business Phone Number For *Ordering* 98
Catalogers Who Have An 800 Number and/or a Regular Business Phone Number For *Customer Service* 98
Average Response Rates from House Files and/or Outside Lists (Consumer) 99
Average Response Rates From House Files and/or Outside Lists (Business-To-Business) 99
Number of Times a Year Catalogers Mail to Their Best Customers 100
Number of Catalogs Sent to a Lead Before Catalogers Stop Mailing 100
Percentage of Catalogers Mailing Special Sale Catalogs To Reduce Inventory 101
Catalogers Who Do Not Charge for Their Catalog 101
Conversion Rates From *Free* Catalogs 102
Conversion Rates From *Paid* Catalogs 102
Catalogers Who Offer Overnight Shipping 103
Percentage of Shipments Returned 103
Percentage of Catalogers That Have Begun Using Fax to Take Orders in the Last 12 Months 104
Percentage of Catalogers That Plan To Offer Fax Ordering Within the Next 12 Months 104
Use of Desktop Publishing in the Catalog Production Process 105
Percent of Catalogers Who Have Tried Some Form of Selective Binding 105
Size of Primary Catalog 106
Number of Pages in Primary Catalog 106
Catalogers' Plans To Increase or Decrease the Number of Pages in Their Catalog 107
Offset vs. Gravure Catalog Printing 107
Growth Catalogers Project for Their Company 108
Number of Catalogs Mailed This Year Versus One Year Ago (Consumer) 109
Number of Catalogs Mailed This Year Versus One Year Ago (Business-To-Business) 109
Response Rates This Year Versus One Year Ago (Consumer) 110
Response Rates This Year Versus One Year Ago (Business-To-Business) 110
Next Season's Plans To Mail (Consumer) 111
Next Season's Plans To Mail (Business-To-Business) 111
Next Season's Outlook (Consumer) 112
Next Season's Outlook (Business-To-Business) 112

Percent of Companies Ordering Paper and Supplies Through A Catalog by Region 113
Source For Companies Who Purchase Paper and Supplies From Catalogs by Site Size 113

ENVIRONMENTAL CONCERNS

Environmental Issues Relating Directly to Consumer Catalogers' Business 114
Seriousness of Environmental Issues Affecting Consumer Catalogers' Business 114
Consumer Catalogers' Perceived Impact on Environmental Issues 115
Percentage of Catalogers Considering Switching to Biodegradable Packing Material .. 115

• TELEPHONE CONSUMER ATTITUDES

Consumer's Sentiments on Whether Telephone Companies Should Be Allowed To Sell Caller ID 119
Consumer's Sentiments Regarding Caller ID 119
When Not To Call 120
Consumer Attitudes Toward Receiving Pre-Recorded Calls 120
Consumer Attitudes Toward Telemarketing by Age 121
Consumer Attitudes Toward Telemarketing by Region 121
Customers' Interest in Receiving Information by Telephone 122
Percentage of Customers Who Prefer Getting Information Over The Telephone From An Automated System 122
Top Four Reasons Customers Prefer Automated Call Processing To Live Operators 123

BUYING HABITS

Total Population Ordering by Telephone 124

COSTS

1990 Telemarketing Salaries 125
In House Outbound Telemarketing Worksheet 126
In House Inbound Telemarketing Worksheet 127

TRENDS

Number of Years Respondent Companies Have Conducted Telemarketing 128
Number of Employees of Telemarketing Centers 128
Annual Sales Volume of Telemarketing Companies 129
Degrees of Telemarketing Automation 129
Top 3 Industries Using Telemarketing (1985–1989) 130
Annual Telemarketing Company Sales 130
Type of Telemarketing Customer 131
Telemarketing Products and Services In Use 131
Degree of Consumer Interest In Using 800 Numbers at Other Phases of the Business Cycle 132
Comfort With Purchasing Products by 800 Number 133
Purchase Stimuli For 800 Orders Placed by Users 133
Products Purchased by 800 Number Within The Past Year 134
Action Taken If Unable To Reach 800 Number 134
User Satisfaction With Telephone Shopping 135
Consumers' Response To "800" Information Numbers 135
Products for Which An Information Number Makes the Most Difference 136
Uses of '900' Telephone Services 137
Estimated Revenues of 900 Number Telephone Services 137
Growth In Telephone Sales and Customer Service Staff 138

Benefits of Telephone Sales & Service 138
Service Bureaus' Views Re: Circumstances Where Use of Pre-Recordings Would Be Advisable 139
Service Bureaus' Views on Using Pre-Recordings For Selling or Marketing 139

PROJECTIONS

Total 900 Programs To Date/Projected 140
900 Service Projections 140
900 Program Growth Projections 140
800 Services Revenue 141
Migration Of 800 Services To 900 141

• PRINT/PROMOTION

CONSUMER ATTITUDES

Consumer Attitude Toward Brands of Grocery Products That Offer Coupons, Premiums, Refunds or Other Types of Discounts As Incentives 145
Consumer Attitudes About Coupons From Different Sources 146

COSTS

Leading Types of Coupon Media Vehicles: 1989 147
Principal Consumer Promotions Used: 1989 147

TRENDS

Types Of Coupon Media Used: 1985–1989 148
Types of Consumer Promotions Used: 1987 vs. 1989 148
Sources of Money-Off Coupons 149
Grocery Products/Coupon Redemption Rates By Media 1989 149
Breakout Of All Promotional Ads: 1989 150
Percent of In-Store On Shelf Activities—1989 vs 1988 150
Volume Of Inserts In Sunday/Daily Newspapers 151
Coupons Distributed by Month: 1989 vs. 1988 151
Average Value of Coupons Redeemed By Category 152
Percentage of Coupons Distributed and Money Redeemed by Media: 1989 153
Percent Of Coupon Distribution By Media 153
Percent Of Coupon Distributed By Category: 1989 154
Trends in Coupon Distribution 155
Trends in Coupon Distribution (Billions of Coupons) 155
Average Face Value Redeemed 156
Trends In Coupon Redemption 156

• TELEVISION

TRENDS

How Television Viewers Divide Their Time Among Major Programming Sources 159
Consumption of Select Products and Services in Cable vs. Non-Cable Households 160
Cable Subscriber Demographics vs. Users of Other Media 161
National Growth In Cable Subscribers And Household Penetration 1980–1989 162
Cable Penetration By Regions (1980–1989) 162
Cable TV Viewing Hours Per Household Per Week 163

LISTS/DATABASES

PAGES

CONSUMER ATTITUDES

Public Perceptions of Use of Names and Addresses by Direct Marketers 167
Consumer Level of Concern with Selling Lists of Consumer Characteristics 168
Public Perceptions of List Selling Practices 168

TRENDS

Important Issues Facing List Industry in 1989 169
Important Factors Influencing List Selection Decisions in 1989 170
Top Ten List Techniques Used To Improve Up Front Response and Back End Performance 171
Minimum Expected Rate of Response in Direct Mail Promotion 172
Response Improvement Techniques 172
Trends in List Practices Utilized: 1989 vs. 1988 173
Percent of Direct Mail Services Handled by Outside Suppliers (Either Partially or Wholly) 173
Trends In Overall Mailing Quantities: 1989 vs. 1988 174
Top Six Reasons For Mailing Quantities Increasing: 1989 vs. 1988 174
Top Six Reasons For Mailing Quantities Decreasing: 1989 vs. 1988 175
Top Six Reasons For Mailing Quantities Staying Stable: 1989 vs. 1988 175
Trends In Status of Mailing Frequency: 1989 vs. 1988 176
Top Six Reasons For Increases In Mailing Frequency: 1989 vs. 1998 176
Top Six Reasons for Decreases In Mailing Frequency: 1989 vs. 1988 177
Percent of Direct Mail That Is Personalized 177
Percent of Personalized Mailings To House and Prospect Lists 178
Most Common Printing Method For Personalization 178
Usage of NCOA: 1989 179
Ownership of NCOA Processed Addresses 179
Trends In List Rental Practices: List Availability: 1989 vs. 1988 180
Trends In List Rental Income: 1989 vs. 1988 180
Top Six Reasons For Increased List Rental Income: 1989 vs. 1988 181
Top Six Reasons For Decreased List Rental Income In 1989 vs. 1988 181
Trends In Housefile Usage: 1989 vs. 1988 182
Top Six Reasons For Increased Housefile Usage: 1989 vs. 1988 182
Top Six Reasons For Decreased Housefile Usage: 1989 vs. 1988 183
Trends In Outside Name Usage: 1989 vs. 1988 183
Top Six Reasons For Increases In Outside Name Usage: 1989 vs. 1988 184
Top Six Reasons For Decreases In Outside Name Usage: 1989 & 1988 184
Views about Net Name Arrangements 185
Ideal Solutions Concerning Net Name Arrangements 185
Selection Charges and Commissions 186
Disapproval of the Use of Credit Bureau Extract Files 186
Responsibility In Cases of Mailing List Misuse 187
Effectiveness of An Industry-Wide Decoy System 187

PROJECTIONS

Market Outlook From A List User's Perspective 188
Top Six Reasons For Mailing List Users Predicting Better Business Conditions 188
Top Six Reasons For Mailing List Users Predicting Worse Business Conditions 189
Retention of Mailing Tapes For Response Analysis 189
Overlaying Enhancement Information To Improve The Quality of the Analysis 190
Use of Matches From Merge/Purge To Add Data To User's Customer File 190
Use of List Solely For Information, But Not Mailing Purposes 191
Address Correction 191
Mark Matches To User's File (Customer Names In Current Promotion Only) 192
Mark Matches To User's File (Customer Names In Current Promo & Added Names) 192

MARKETS

PAGES

• CONSUMER DEMOGRAPHICS TRENDS

Annual Expenditures by Age 197
Total Population, by Sex, Race, and Age: 1988 197
Ten Ways Mature Consumers Will Affect The Marketplace 198
Some Characteristics of Adults Aged 50 and Over 198
Ratio of Males To Females by Age Group 199
1988 Median Family Income by Race 199
Disposable Personal Income by Region 199
Distribution of Household by Income Level: 1988 vs. 1987 200
Wealthiest Canadian FSAS (Forward Sortation Areas) 200
Computer Software Penetration 201
Consumers Who Bought Word Processor In Past Year 201

PROJECTIONS

Median Age of The U.S. Population 202
Age Group As Percentage of Total Population 202
Population by Region 203
Population by Race 203
Persons 65 Years and Older: 1960, 1980, 1988 and 2000 203

• BUSINESS-TO-BUSINESS COSTS

Cost of An Industrial Sales Call (1969–1987) 207
Percent of Marketing Communications Budget: 1989 208
1989 Percent of Marketing Communications Budget For Direct Mail Per Industry Type 208
1989 Business-To-Business Marketing/Communications Budgets by Percent Per Type of Advertising 209
1990 Business-To-Business Salaries 210

TRENDS

Importance of Direct Marketing As A Business-To-Business Marketing Tool 211
Factors Affecting The Use of Business-To-Business Mail 211
Proportion of Direct Mail Directed To Current Customers and Prospects 212
Importance of Direct Marketing Activities In Supporting Salesforce 212
Policies on Distribution of Unsolicited Bulk-Rate Third Class Mail Through Mailrooms 213
Company Policy Concerning Delivery of Advertising Mail 213
Attitudes Regarding Receipt of Advertising Mail At The Office 214
Attitudes Regarding Receipt of Advertising Mail At Home 214
Reading of Advertising Mail Received At The Office 215
Reading of Advertising Mail Received At Home 215

PROJECTIONS

Advertising Budget Expectations: 1990 vs. 1989 216

• FINANCIAL SERVICES/INSURANCE

Type of Life Insurance Policies Carried 219
Medical, Hospital or Health Insurance 220
Percent of Sample Contacted by Telemarketing For Life Insurance By Age, Income & Region 221
Third-Class Bulk Regular Receipt by Number of Financial Accounts and Insurance Policies 222

• FINANCIAL SERVICES/BANKS

Percentage of Banks Using Direct Response Advertising by Asset Size 223
Average Direct Response Expenditures of Banks by Asset Size 223

• FINANCIAL SERVICES/CREDIT CARDS

Consumer Sentiments Regarding The Use of Credit Records For Pre-Screening 224
Consumer Sentiments Regarding The Use of Credit Records For Pre-Screening With Protective Measures 225
Third-Class Bulk Regular Mail Receipt By Number of Credit Cards 225

• CIRCULATION COSTS

Budgetary Considerations For Circulation Promotion 229
1990 Circulation Salaries 229

TRENDS

Method of Performing Subscription Fulfillment Functions 230
Top Three Types of Media Used For Circulation Promotion 230
New Business Promotion Sources Used: Direct Mail, Blow-Ins, Bind-Ins, Magazine Space 231
New Business Promotion Sources Used: Gifts, Catalog Agents, Telephone-Outbound, Scholastic Plans, Direct Mail Agents 232
New Business Promotion Sources Used: Co-op Mailings, Cash Field Accounts, Radio, Newspaper Inserts 233
New Business Promotion Sources Used: Newspaper Space, Cable TV, TV-Network/Local, Paid During Service (PDS) Agents 234
Number of ABC-Audited Consumer Magazine Subscriptions Sold, By Channel of Distribution 235
ABC-Audited Consumer Magazine Subscriptions Sold, By Channel of Distribution, Percent of Total Sold 235
Subscription Price Trends 236
Status of Collection Rate on Credit Orders Compared With Previous Year 236

• NON-PROFIT TRENDS

Growth of Direct Mail Philanthropy 239
Estimated Direct Mail Charitable Contributions 239

• SPECIALIZED PRODUCTS/SERVICE MARKETS BUYING HABITS

Records, Discs and Tapes: Where Bought 243
Records, Compact Discs and Tapes: Purchase Source 244
Total Records and Prerecorded Tapes Purchased By Age Based On Dollar Volume 1988 245
Prerecorded Product: Place of Purchase: 1988 245
Book Clubs 246
Personal Computers 247
Software 247
Film Processing 248

COSTS

Percentage of College and University Advertising Budgets Spent on Various Media 249
Features Emphasized In Advertising By Colleges and Universities 249

TRENDS

Book Club Sales 1984–1989 250
Mail Order Publication Sales 1984–1989 250
Estimated Book Publishing Industry Sales By Mail Order 1982–1988 251
Mail Order Sales As Percentage of Total Book Industry Sales 1982–1988 251
Book Clubs 252
1989 Mail Order Record Market Sales By Totals and Sub-Segment 252

DIRECT MARKETING MANAGEMENT BASICS

PAGES

• CUSTOMER SERVICE CONSUMER ATTITUDES

Potential Use of 800 Numbers For Customer Assistance 257

COSTS

1990 Customer Service/Fulfillment Salaries 258

TRENDS

Top Five Major Business Categories Generating Consumer Complaints 259
Summary of Better Business Bureau Activity For Ordered Product Sales 259
Settlement Rates Among Most Complained-About Business Categories 260
Aggregate Settlement Within Direct Marketing 260
Ordered Product Sales Complaints: Satisfaction Ratings 261
Question/Problem Experience By Industry Segment 261

• USPS INFORMATION CONSUMER ATTITUDES

Consumers Rating Postal Service A "Good" or "Excellent" Value 265

TRENDS

Volume of Mail: 1986–1989 266
Total Mail Volume Growth Rates: 1985–1989 266
Mail Volume By Class 267
Volume of Third Class Mail 1988–1989 267
Bulk Rate Regular Volume Growth Rate 268
Mail Revenue By Class 268
Third-Class Presort Mail Volume Bulk Rate (Regular) 269
Third-Class Presort Mail Volume Bulk Rate (Non-Profit) 269
Third-Class Presort Mail Revenue Bulk Rate (Regular) 270
Third-Class Presort Mail Revenue Bulk Rate (Non-Profit) 270
USPS Requirements For Postal Discounts 271
Percent Weight of Mail By Class 272
Composition of Mail 272
Number of Pieces of Mail Attributed To Direct Mail 273
USPS Employees/Facilities 274
USPS/Industry Third Class Mail Delivery Study Results: 1988 & 1989 275
DMA/Doubleday Bulk Third-Class Delivery Test 275
First Class Mail Costs of Industrialized Countries 276
Brief History of Selected Postal Rates 1960–1989 ..... 276, 277
1990 USPS Rate Increase Proposal 278

INDEX

Topic Index 281
Source and Study Cross-Reference Index 285

DIRECT RESPONSE ADVERTISING

CONSUMER ATTITUDES

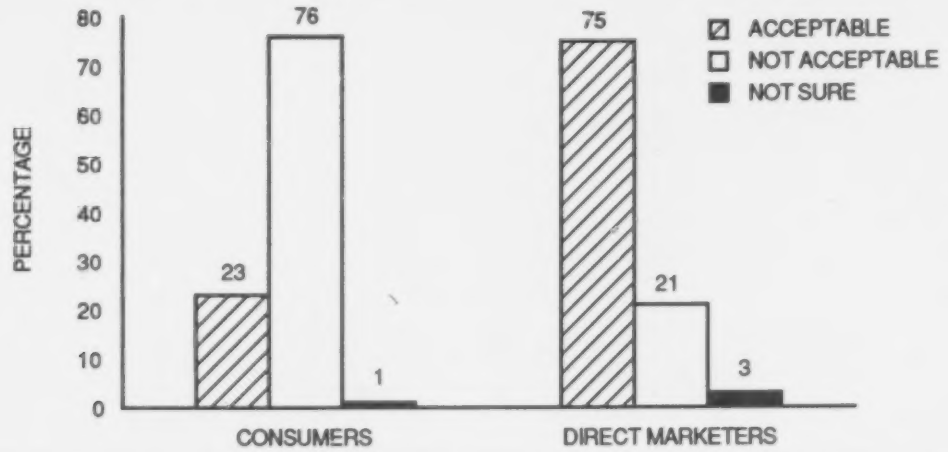
BUYING HABITS

COSTS

TRENDS

USE OF CONSUMER INFORMATION BY DIRECT MARKETERS
ACCEPTABLE OR UNACCEPTABLE

The following chart is taken from *The Equifax Report on Consumers in the Information Age*, a national opinion study exploring public and leadership experiences with, and attitudes toward, the use of personal information in a wide variety of contexts. The survey, consisting mainly of interviews conducted with a cross section of 2,254 Americans eighteen years of age and older, was conducted in early 1990.



Source: Equifax, Inc., The Equifax Report on Consumers in the Information Age, 1990

ITEMS ORDERED BY MAIL OR PHONE IN LAST 12 MONTHS

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Bold Type #'s = 1989
Regular Type #'s = 1988

	By Mail or Phone '000	%	By Mail '000	%	By Phone '000	%
Auto Accessories	**5,771**	**3.2**	**4,162**	**2.3**	**2,142**	**1.2**
	4,504	2.6	3,263	1.9	1,544	.9
Cookbooks	**6,661**	**3.7**	**6,117**	**3.4**	**666**	**.4**
	4,494	2.5	4,203	2.4	309	.2
Books from Book Clubs	**12,435**	**7.0**	**11,898**	**6.7**	**739**	**.4**
	9,457	5.4	9,115	5.2	534	.3
Other Books	**9,344**	**5.2**	**8,359**	**4.7**	**1,344**	**.8**
	7,311	4.1	6,726	3.8	812	.5
Greeting Cards	**6,726**	**3.8**	**6,469**	**3.6**	**361**	**.2**
	4,643	2.6	4,257	2.4	412	.2
Stationery	**4,511**	**2.5**	**4,179**	**2.3**	**395**	**.2**
	3,727	2.1	3,510	2.0	246	.1
Cosmetics	**5,597**	**3.1**	**4,624**	**2.6**	**1,185**	**.7**
	5,548	3.1	4,482	2.5	1,245	.7
Records	**6,015**	**3.4**	**5,177**	**2.9**	**1,098**	**.6**
	6,300	3.6	5,717	3.2	857	.5
Prerecorded Audio Cassette Tapes	**10,544**	**5.9**	**9,563**	**5.4**	**1,274**	**.7**
	7,673	4.4	6,581	3.7	1,247	.7
Stereo Equipment	**1,108**	**.6**	**705**	**.4**	**412**	**.2**
	842	.5	509	.3	358	.2
Computer Software	**3,110**	**1.7**	**2,360**	**1.3**	**1,288**	**.7**
	2,479	1.4	1,678	1.0	1,171	.7
Other Electronic Equipment	**2,137**	**1.2**	**1,394**	**.8**	**900**	**.5**
	2,050	1.2	1,549	.9	597	.3
Magazines	**36,665**	**20.6**	**34,749**	**19.5**	**3,171**	**1.8**
	25,281	14.3	24,231	13.7	1,873	1.1
Photo Processing	**7,602**	**4.3**	**7,009**	**3.9**	**664**	**.4**
	5,448	3.1	5,206	3.0	284	.2
Food	**3,324**	**1.9**	**2,521**	**1.4**	**959**	**.5**
	2,463	1.4	1,744	1.0	800	.5
Shoes or Boots	**8,793**	**4.9**	**7,019**	**3.9**	**2,343**	**1.3**
	6,442	3.7	4,642	2.6	2,009	1.1
Clothing	**30,722**	**17.2**	**23,032**	**12.9**	**10,811**	**6.1**
	19,804	11.2	15,134	8.6	6,524	3.7
Needlecraft Kits and Supplies	**4,736**	**2.7**	**4,309**	**2.4**	**535**	**.3**
	3,514	2.0	3,035	1.7	536	.3
Toys	**7,688**	**1.1**	**5,983**	**3.4**	**2,269**	**1.3**
	5,235	3.0	3,884	2.2	1,618	.9
Sporting Goods	**6,096**	**3.4**	**4,709**	**2.6**	**2,199**	**1.2**
	4,289	2.4	3,078	1.7	1,304	.7
Gardening Equipment/Tools	**2,780**	**1.6**	**2,151**	**1.2**	**799**	**.4**
	2,098	1.2	1,612	.9	563	.3
Workshop Tools	**3,642**	**2.0**	**2,967**	**1.7**	**993**	**.6**
	2,652	1.5	2,050	1.2	778	.4
Coins (Numismatic)	**1,757**	**1.0**	**1,482**	**.8**	**328**	**.2**
	1,538	.9	1,270	.7	309	.2
Medallions, Commemorative Plates, etc.	**1,581**	**.9**	**1,272**	**.7**	**314**	**.2**
	1,080	.6	942	.5	193	.1
Furniture	**2,322**	**1.3**	**1,309**	**.7**	**1,051**	**.6**
	1,623	.9	1,063	.6	570	.3
Cookware and Kitchen Accessories	**6,281**	**3.5**	**5,231**	**2.9**	**1,096**	**.6**
	4,677	2.7	4,125	2.3	694	.4
Small Appliances	**2,074**	**1.2**	**1,678**	**.9**	**458**	**.3**
	2,068	1.2	1,555	.9	553	.3

(continued)

ITEMS ORDERED BY MAIL OR PHONE IN LAST 12 MONTHS

(CONTINUED FROM PAGE 4)

Bold Type #'s = 1989
Regular Type #'s = 1988

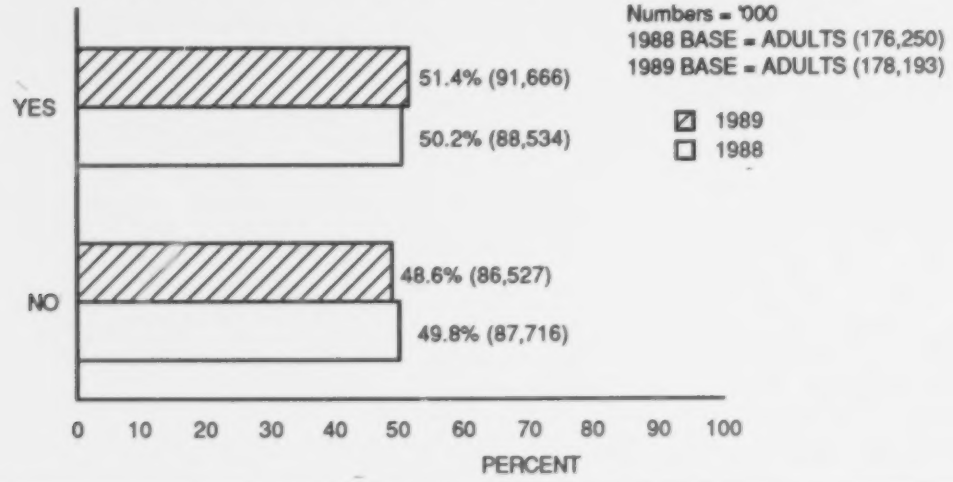
	By Mail or Phone '000	%	By Mail '000	%	By Phone '000	%
Banking Information	**3,024**	**1.7**	**1,650**	**.9**	**1,598**	**.9**
	2,749	1.6	1,798	1.0	1,252	.7
Investment Information/ Newsletter	**1,924**	**1.1**	**1,465**	**.8**	**551**	**.3**
	1,779	1.0	1,457	.8	461	.3
Credit Cards	**8,983**	**5.0**	**8,019**	**4.5**	**1,285**	**.7**
	6,346	3.6	5,880	3.3	663	.4
Insurance	**4,506**	**2.5**	**3,161**	**1.8**	**1,734**	**1.0**
	3,720	2.1	2,616	1.5	1,352	.8
Real Estate Information	**1,819**	**1.0**	**1,197**	**.7**	**749**	**.4**
	1,379	.8	884	.5	710	.4
Travel Information	**10,911**	**6.1**	**8,059**	**4.5**	**4,045**	**2.3**
	7,991	4.5	6,036	3.4	2,872	1.6
Education Programs	**2,009**	**1.1**	**1,682**	**.9**	**424**	**.2**
	1,952	1.1	1,574	.9	402	.2
Trees, Plants, Seeds	**8,637**	**4.8**	**8,259**	**4.6**	**616**	**.3**
	5,873	3.3	5,588	3.2	393	.2
Vitamins	**4,110**	**2.3**	**3,806**	**2.1**	**418**	**.2**
	2,853	1.6	2,411	1.4	481	.3
Other Items (not listed)	**11,895**	**6.7**	**9,240**	**5.2**	**3,576**	**2.0**
	10,748	6.1	9,055	5.1	2,707	1.5
None			**6,459**	**3.6**	**51,629**	**29.0**
			5,688	3.2	41,722	23.7
Do Not Know	**10,100**	**5.7**	**10,155**	**5.7**	**10,482**	**5.9**
	25,956	14.7	25,668	14.6	25,916	14.7

Source: Simmons Market Research Bureau 1988 & 1989 Study of Media and Markets

PEOPLE WHO HAVE ORDERED BY MAIL OR PHONE

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Have you yourself ordered any merchandise by mail or phone in the last 12 months through offers in magazines, newspapers, on television or radio, in catalogs or from direct mail pieces?

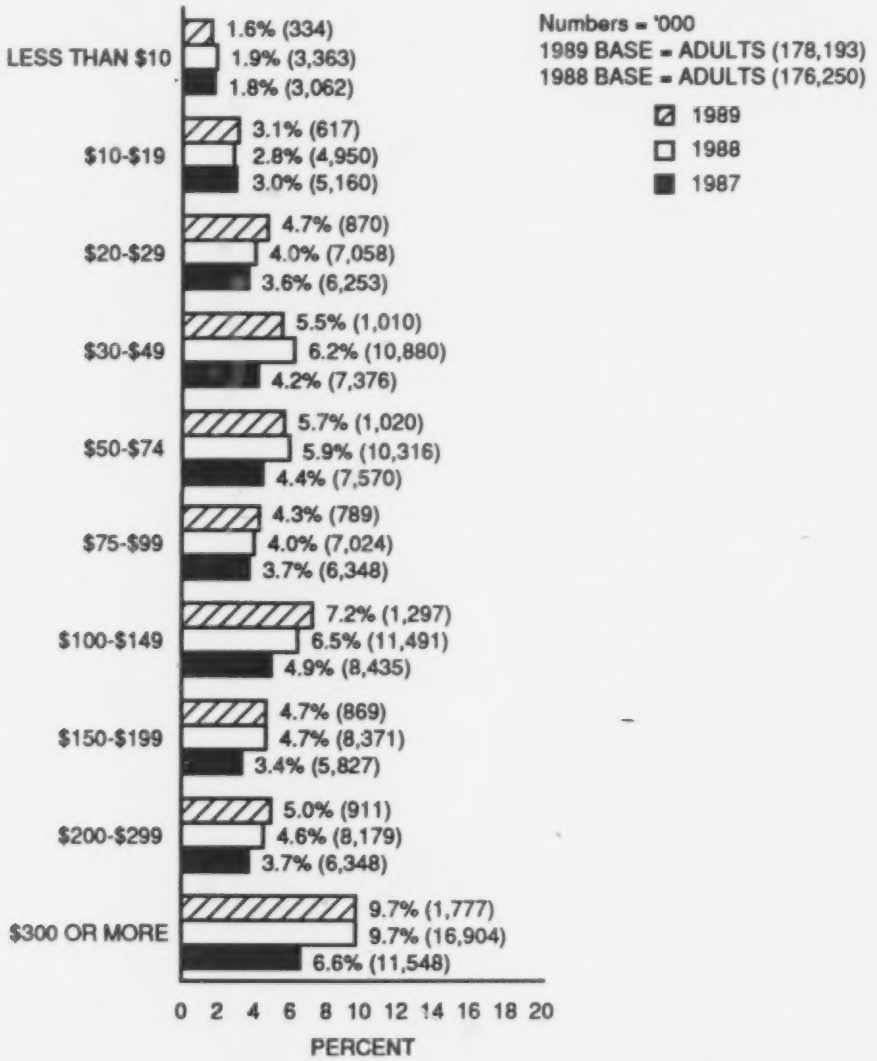


Source: Simmons Market Research Bureau 1988 & 1989 Study of Media and Markets.

TOTAL AMOUNT SPENT ON MERCHANDISE & SERVICES ORDERED BY MAIL OR PHONE

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,251 adults in 1988, and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

For the merchandise and services ordered by mail or phone, what is the total amount you yourself spent in the last 12 months?



Note: Percentage numbers are based on extrapolations made for entire U.S. population base (178,193).

Source: Simmons Market Research Bureau: 1988 & 1989 Study of Media and Markets

MAIL AND PHONE ORDERS
AMOUNT SPENT ON ALL MERCHANDISE AND SERVICES ORDERED IN LAST 12 MONTHS

The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Bold Type #'s = 1989
Bottom #'s = 1988

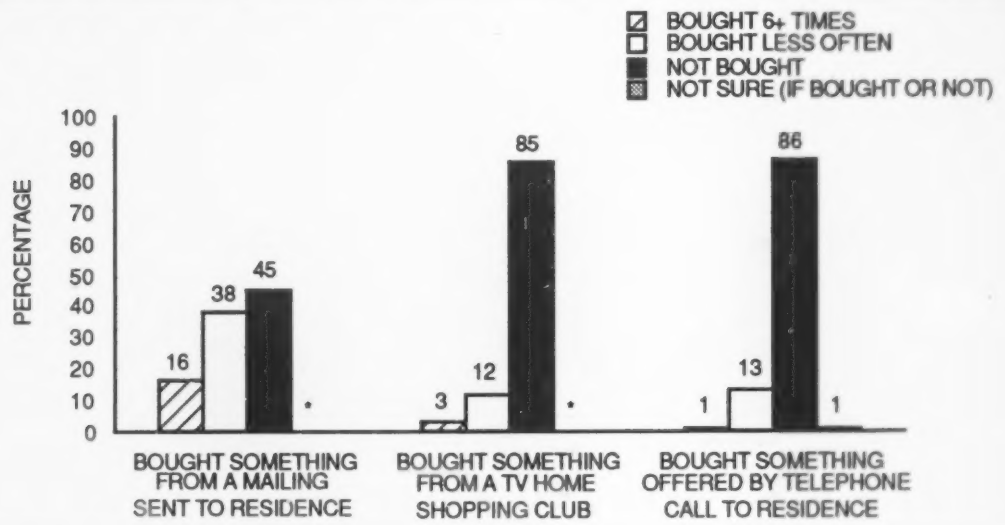
	Total U.S. '000	Ordered by Mail or Phone in last 12 months '000	%	Less than $50 '000	%	$50–$149 '000	%	$150 or More '000	%
Total Adults	**178,193**	**91,666**	**51.4**	**26,640**	**15.0**	**30,620**	**17.2**	**34,406**	**19.3**
	176,250	88,534	50.2	26,251	14.9	28,831	16.4	33,453	19.0
Males	**85,056**	**38,876**	**45.7**	**11,548**	**13.6**	**12,968**	**15.2**	**14,360**	**16.9**
	84,066	37,142	44.2	10,116	12.0	11,949	14.2	15,077	17.9
Females	**93,136**	**52,790**	**56.7**	**15,092**	**16.2**	**17,652**	**19.0**	**20,046**	**21.5**
	92,184	51,392	55.7	16,135	17.5	16,882	18.3	18,375	19.9
18–24	**25,713**	**11,615**	**45.2**	**4,183**	**16.3**	**3,806**	**14.8**	**3,626**	**14.1**
	26,535	11,178	42.1	3,876	14.6	3,783	14.3	3,518	13.3
25–34	**43,283**	**22,428**	**51.8**	**6,122**	**14.1**	**7,803**	**18.0**	**8,503**	**19.6**
	42,634	21,857	51.3	6,564	15.4	6,809	16.0	8,484	19.9
35–44	**34,804**	**20,273**	**58.2**	**5,424**	**15.6**	**6,338**	**18.2**	**8,511**	**24.5**
	33,688	19,457	57.8	5,242	15.6	6,093	18.1	8,122	24.1
45–54	**23,902**	**13,246**	**55.4**	**3,155**	**13.2**	**4,174**	**17.5**	**5,917**	**24.8**
	23,361	12,769	54.7	3,481	14.9	3,872	16.6	5,416	23.2
55–64	**21,733**	**11,367**	**52.3**	**3,240**	**14.9**	**3,983**	**18.3**	**4,145**	**19.1**
	22,021	11,202	50.9	3,207	14.6	3,864	17.5	4,131	18.8
65 or older	**28,756**	**12,737**	**44.3**	**4,516**	**15.7**	**4,517**	**15.7**	**3,705**	**12.9**
	28,011	12,072	43.1	3,881	13.9	4,410	15.7	3,782	13.5
Northeast-Census	**37,709**	**17,309**	**45.9**	**4,645**	**12.3**	**4,933**	**13.1**	**7,731**	**20.5**
	37,366	18,442	49.4	5,579	14.9	4,441	11.9	8,422	22.5
Midwest	**43,858**	**26,572**	**60.6**	**7,200**	**16.4**	**8,888**	**20.3**	**10,483**	**23.9**
	43,426	24,756	57.0	6,678	15.4	8,620	19.8	9,458	21.8
South	**61,120**	**30,857**	**50.5**	**10,358**	**16.9**	**10,404**	**17.0**	**10,096**	**16.5**
	60,402	28,951	47.9	9,500	15.7	9,019	14.9	10,432	17.3
West	**35,505**	**16,928**	**47.7**	**4,437**	**12.5**	**6,395**	**18.0**	**6,096**	**17.2**
	35,057	16,386	46.7	4,494	12.8	6,751	19.3	5,140	14.7
Household income $60,000 +	**19,957**	**12,242**	**61.3**	**2,421**	**12.1**	**3,917**	**19.6**	**5,904**	**29.6**
	20,289	12,111	59.7	2,703	13.3	3,606	17.8	5,803	28.6
$50,000 or more	**31,697**	**19,403**	**61.2**	**4,206**	**13.3**	**6,245**	**19.7**	**8,952**	**28.2**
	31,340	18,225	58.2	4,347	13.9	5,398	17.2	8,480	27.1
$40,000 or more	**53,998**	**32,925**	**61.0**	**7,098**	**13.1**	**11,005**	**20.4**	**14,822**	**27.4**
	53,108	30,886	58.2	7,711	14.5	9,511	17.9	13,664	25.7
$30,000 or more	**83,793**	**50,168**	**59.9**	**11,211**	**13.4**	**17,403**	**20.8**	**21,553**	**25.7**
	82,233	46,887	57.0	12,244	14.9	15,129	18.4	19,514	23.7
$30,000–$39,999	**29,795**	**17,243**	**57.9**	**4,113**	**13.8**	**6,398**	**21.5**	**6,731**	**22.6**
	29,126	16,001	54.9	4,532	15.6	5,618	19.3	5,851	20.1
$20,000–$29,999	**34,040**	**17,411**	**51.1**	**5,704**	**16.8**	**5,493**	**16.1**	**6,214**	**18.3**
	34,891	18,755	53.8	5,680	16.3	6,106	17.5	6,969	20.0
$10,000–$19,999	**38,419**	**16,081**	**41.9**	**5,997**	**15.6**	**5,185**	**13.5**	**4,900**	**12.8**
	37,097	16,074	43.3	5,402	14.6	5,356	14.4	5,315	14.3
Under $10,000	**21,942**	**8,007**	**36.5**	**3,728**	**17.0**	**2,539**	**11.6**	**1,739**	**7.9**
	22,029	6,818	31.0	2,924	13.3	2,240	10.2	1,654	7.5

Source: Simmons Market Research Bureau: 1988 and 1989 Study of Media and Markets

FREQUENCY OF CONSUMER DIRECT MARKETING PURCHASES IN PAST YEAR

BASE = 2254

The following chart is taken from *The Equifax Report on Consumers in the Information Age*, a national opinion study exploring public and leadership experiences with, and attitudes toward, the use of personal information in a wide variety of contexts. The survey, consisting mainly of interviews conducted with a cross section of 2,254 Americans eighteen years of age and older, was conducted in early 1990.



Source: Equifax, Inc., The Equifax Report on Consumers in the Information Age, 1990

1990 DIRECT RESPONSE ADVERTISING SALARIES

Crandall Associates, Inc. have determined the salaries by the following process 1) Discussion with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume. 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast. 3) Search assignments that have been received nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

Position Title And Description	Years Exp.	Base Salary Range (excluding benefits)		Leading Firms
ADVERTISING MANAGER: Corporate responsibility for conversion of marketing plan into communication using creative tools and media.	1–3	$34,600	$46,700	$46,900
	4–7	$45,900	$50,000	$54,400
	7+	$53,400	$56,700	$59,500
AGENCY ACCOUNT EXECUTIVE: Liaison with clients, development of marketing, media, copy and art to secure client's goals within budget.	1–3	$21,300	$25,500	$29,700
	4–7	$26,000	$34,200	$37,900
	7+	$35,200	$39,400	$44,900
AGENCY ACCOUNT SUPERVISOR: Manages account executives, develops new business programs and helps guide the agency's course.	1–3	$36,300	$40,600	$45,800
	4–7	$43,300	$47,100	$53,400
	7+	$51,600	$56,500	$58,900
ART DIRECTOR/Catalog: Sets graphic tone, color, format, type, photography, images and paper for maximum sales at minimum cost.	1–3	$22,200	$24,400	$29,700
	4–7	$26,300	$31,800	$38,700
	7+	$36,400	$41,600	$48,000
ART DIRECTOR/Direct Mail, Space: Conceptualize and design graphics for maximum readership to achieve the marketing objectives.	1–3	$28,300	$31,200	$35,300
	4–7	$33,200	$36,300	$40,200
	7+	$37,700	$44,600	$52,400
ART STAFF: Responsible for the creation of comps, type spec'ing, camera-ready mechanicals, under the direction of the art director.	1–3	$15,800	$20,300	$22,800
	4–7	$20,800	$24,800	$26,200
	7+	$25,700	$28,900	$33,200
COPY CHIEF: Conceptualizes, supervises, inspires and directs copywriters in creation of written promotional materials for all media.	1–3	$28,100	$31,400	$35,900
	4–7	$33,500	$38,300	$42,500
	7+	$40,200	$44,900	$50,700
COPYWRITER/Catalog: Ability to write copy that sparkles and accurately sells products, generally in very limited space on the page.	1–3	$16,300	$18,500	$23,000
	4–7	$20,900	$25,300	$28,700
	7+	$26,700	$34,400	$38,200
COPYWRITER/Direct Mail, Space: With knowledge of the product or service, ability to sell effectively with solo "packages" or space ads.	1–3	$19,300	$24,300	$28,400
	4–7	$26,600	$33,500	$38,600
	7+	$34,700	$40,500	$45,900
CREATIVE DIRECTOR/Agency: With account group, uses talent and experience to develop copy and grahics for the agency's clients.	1–3	$40,800	$45,200	$53,100
	4–7	$51,900	$56,600	$62,000
	7+	$58,700	$64,500	$69,900
CREATIVE DIRECTOR/Corporate: Guides staff in developing art and copy capabilities for creative communications with customers.	1–3	$31,300	$35,800	$38,900
	4–7	$36,600	$41,000	$44,900
	7+	$42,000	$51,400	$55,900
MARKETING DIRECTOR/Consumer Catalog: Determines marketing position, guides merchandise direction and carries the P&L duty.	1–3	$40,800	$46,400	$53,100
	4–7	$50,700	$56,500	$64,700
	7+	$58,100	$70,500	$77,200
MARKETING DIRECTOR/Consumer Products: Profit and loss responsibility and leads product managers in strategic planning and sales.	1–3	$46,100	$51,400	$57,700
	4–7	$54,800	$59,400	$67,800
	7+	$61,900	$72,400	$84,200
MARKETING/Business Product Manager: Sells products or services to defined and targeted commerical markets, generally with catalogs.	1–3	$23,700	$28,200	$33,200
	4–7	$30,100	$36,200	$40,100
	7+	$38,500	$43,000	$45,600
MARKETING/Consumer Product Manager: Responsible for positioning, sales and creative strategy for maximum penetration of market.	1–3	$27,400	$29,700	$34,300
	4–7	$32,000	$39,000	$42,400
	7+	$40,100	$46,800	$50,000
MARKET RESEARCH MANAGER: Gathers and distills data into intelligent information utilizing the complete gamut of research tools.	1–3	$24,700	$29,300	$34,300
	4–7	$30,700	$34,700	$40,400
	7+	$36,900	$38,500	$43,400

(continued)

1990 DIRECT RESPONSE ADVERTISING SALARIES

(CONTINUED FROM PAGE 10)

Position Title And Description	Years Exp.	Base Salary Range (excluding benefits)		Leading Firms
MARKET RESEARCH/Analyst: Generally using computer-generated material, analyzes raw data with sophisticated statistical techniques.	1–3	$19,700	$22,100	$24,300
	4–7	$23,400	$25,500	$28,700
	7+	$27,500	$29,700	$31,600
MEDIA DIRECTOR: Directs staff in all media expenditures to solve marketing problems at the most efficient cost to client or company.	1–3	$29,200	$33,600	$36,200
	4–7	$35,600	$37,100	$39,200
	7+	$38,800	$40,800	$43,600
MEDIA PLANNER/BUYER: Depending on the size of organization, develops plans and buys print, broadcast and other media efficiently.	1–3	$19,000	$21,600	$24,500
	4–7	$23,200	$26,900	$28,900
	7+	$27,800	$30,300	$31,400
MERCHANDISE MANAGER: Eye for value and uniqueness, identifies, develops, and buys goods of constant quality in sufficient quantities.	1–3	$31,800	$38,200	$39,900
	4–7	$36,800	$40,300	$43,500
	7+	$42,100	$51,900	$58,700
MERCHANDISE BUYER: Develops products, shops, covers markets, meets and negotiates with vendors and keeps tabs on inventory.	1–3	$22,300	$23,400	$28,600
	4–7	$25,900	$30,000	$33,000
	7+	$31,000	$35,700	$37,400
PRODUCTION MANAGER: Knows about processes, particularly printing, to buy or produce materials, with emphasis on costs and quality.	1–3	$23,300	$26,400	$29,400
	4–7	$26,500	$32,600	$36,000
	7+	$33,500	$41,900	$46,300

Source: Crandall Associates, Inc. 1990

DIRECT RESPONSE ADVERTISING AGENCIES U.S. GROSS BILLINGS

Billings reported by some agencies include production revenue for services such as database, lettershop, printing, etc. performed internally. Firms providing specific information regarding internal production revenue are indicated by a •.

	BILLINGS (IN MILLIONS) 1988	1989
Ogilvy & Mather Direct Response Inc.	272.0	305.0
Wunderman Worldwide	266.0	270.0
Foote, Cone & Belding (1)	200.7+	227.8
Rapp Collins Marcoa •	236.3	226.0
The Direct Marketing Group, Inc. •	152.9	149.6
Grey Direct International	108.0	119.0
Kobs & Draft Advertising, Inc.	90.0+	116.9
Barry Blau & Partners, Inc. *	82.5	101.2
HDM Direct Marketing Group (2)	57.1	92.4
Devon Direct Marketing & Advertising, Inc. *	51.4	82.0
Bronner Slosberg Associates *	68.8	79.8
Customer Development Corporation •	65.8	79.4
Russ Reid Company *	59.7	74.7
Colle & McVoy, Inc. *	57.7	58.4
Keyes Martin & Company •	58.0	58.0
Lowe Marschalk, Inc.	55.0	55.0
FKB Direct •	57.2	54.5
Unispond, Inc.	68.4+	53.8
Lintas: CECO, NY (3)	50.9	51.7
Chapman Direct Advertising * (4)	51.6+	48.2
Ayer Direct, Division of N. W. Ayer, Inc.	39.4	48.0
Saugatuck/FKB *	40.3+	47.7
McCann Direct	51.0	46.0
Saatchi & Saatchi Direct * • (5)	49.9	43.9
GSP Marketing Services *	39.4	43.3
The Walter Latham Company •	33.0+	39.0
Manus Direct Response Marketing * •	25.3	32.2
Karl Rove & Company •	18.3+	30.9
Doner Direct	N/A	30.5
Earl Palmer Brown Direct *	25.2	30.2
Scali, McCabe, Sloves Direct	24.0	30.0
The Stenrich Group, Inc. •	16.8	29.4
Steinert & Associates	21.3	27.5
DMB&B Direct, Inc. * (6)	24.6+	25.8
Lawrence Butner Advertising, Inc. *	24.3	25.2
J. Walter Thompson Direct	16.5	24.1
Columbian Direct Mktg, Division of Columbian Advertising, Inc. *	13.3	23.5
Bozell Direct (7)	34.1	23.3
Brierley & Partners *	17.8	23.1
Nash Direct * •	12.0+	21.0
Grizzard Advertising, Inc. * • (8)	17.9	20.2
Fox MMJM Direct, Inc. *	15.0	20.1
Herring Newman, Inc. (9)	15.7+	19.5
Wilson Sculley Associates, Inc. *	14.3	19.3
Sandven & Associates, Inc. •	17.8	18.7
Huntsinger & Jeffer	15.1	18.4
Cramer-Krasselt/Direct *	18.4	17.4
Clark Direct Marketing, Inc.	15.3	16.4
Kern/Mathai Direct Marketing	6.1	15.7
Cabot Direct Marketing *	15.0	15.1
Tracy Locke Direct	11.4+	14.4
The Townsend Agency, Ltd.	14.5	12.4
Hal Langerman Company	11.9	12.3
Shain/Colavito/Pensabene Direct, Inc. *	8.2	11.1
Ad Hoc Marketing Resources, Inc.	8.7	9.9
Ann E. W. Stone and Associates, Inc.	8.7	9.5
Communique', Inc. * •	N/A	9.4
Haynes and Pittenger Direct * •	11.5	9.1
Ketchum Communications, Inc. (10)	4.1	8.7
Lortz Direct Marketing, Inc. (LDMI) *	7.1	8.6
Roska Direct Marketing *	8.9	8.5
Gerald Siegel & Associates, Inc. *	7.3	8.3
Hogan & Associates, Inc. *	7.0	7.8
SRH Direct Marketing	4.2+	7.8
Southern Marketing Services, Inc.	7.3	6.7
MMI Direct, Inc.	6.2	6.6
AC & R Direct Marketing, Inc. •	6.6	6.5
Smith Lask Associates, Inc. *	5.9	6.4
Carl Bloom Associates, Inc.	5.6	6.0
Wyse Direct	0.3	6.0
Direct Marketing Network, Inc.	4.2	5.9
Ronald James Direct, Inc.	5.0	5.5
Sheldon Fredericks Advertising, Inc.	5.4	5.0
Creative Direct Marketing Group, Inc.	4.4	4.6
Sader & Associates, Inc. *	3.8	4.5
Peter Vane Advertising	3.8	4.2
Shaughnessy MacDonald, Inc.	2.5	4.0
Fahlgren & Swink Direct	1.4	3.7
Ronald A. Bernstein & Associates, Inc. (11)	2.5+	3.3
Kobs Gregory & Passavant * (12)	N/A	3.1
MWA Direct, Inc.	3.5	3.0
Page & Associates Adv & Direct Mktg Inc. •	2.0	2.6
Taurus Direct Marketing, Inc.	2.7	2.5
Princeton Direct, Inc.	2.7	2.2
J. W. Prendergast & Associates, Inc.	2.3	2.2
Sales Development Associates, Inc. (13)	N/A	2.2
Hallowell Associates, Ltd.	1.3	2.1
Northwest Direct-Direct Response Advertising and Database Marketing *	2.2	1.9
Liggett-Stashower Direct	1.2	1.7
Lawler Ballard Direct	N/A	1.5
The Kilgannon Group, Inc.	1.2	1.4
Harris Brandt Advertising, Inc. *	1.5	1.4
Corcillo Direct, Inc.	N/A	1.4
Marc Direct	0.7+	1.0

FOOTNOTES:
* Information was confirmed by an outside auditing firm.
+ Agencies submitted adjusted figures for 1988.
• Agencies providing specific information on internal production revenue.

(1) Foote, Cone & Belding's figures have been adjusted to include VICOM, and the 1989 merger with Publicis.
(2) HDM Worldwide acquired Stone and Adler from Chapman Stone and Adler on January 1, 1989.
(3) Lintas 1988 figure represents Lintas: CECO, Lintas: New York, and Lintas: MCM. 1989 Figure represents Lintas:CECO and Lintas: New York.
(4) Chapman Direct Advertising adjusted 1988 figures to reflect Chapman Direct Only.
(5) Billings represent fiscal year ending September 30, 1989.
(6) DMB&B, Inc.'s billings do not include yellow pages.
(7) Bozell Direct's 1988 figure represents billings from offices in New York, Chicago and Dallas. 1989 figure represents billings from New York and Chicago only.
(8) Total billings represent internal production revenue.
(9) Billings represent 12 months ending February 28, 1990.
(10) Ketchum Communications, Inc. 1988 direct response billings were generated from offices in New York, San Francisco, and Los Angeles. 1989 direct response billings were generated from offices in San Francisco, Los Angeles, Chicago, Philadelphia, and Pittsburgh.
(11) Formerly Bernstein and Sucherman, Inc.
(12) Agency established April 1, 1989.
(13) Company established September 15, 1989.

Note: This list represents only those agencies who responded to a request made in 1990 for full year U.S. 1989 and 1988 billings. All figures were supplied by the individual agencies, who were asked to include capitalized media commissions, material and services fees and agency fees plus revenue derived from direct mail internal production activities.

Source: Direct Marketing Association Research Department, May 1990

MEDIA UNIT* COST TRENDS
(1982–84 = 100)

	1984	1985	1986	1987	1988	1989	1990
NEWSPAPERS	109	117	125	133	142	151	159
MAGAZINES	108	116	122	126	134	141	149
NETWORK TV	111	119	124	128	133	140	147
SPOT TV	109	116	123	127	131	135	140
NETWORK RADIO	108	117	126	123	121	133	138
SPOT RADIO	109	115	118	116	121	128	134
OUTDOOR	109	118	124	129	134	141	148
DIRECT MAIL	99	106	108	111	120	126	129
COMPOSITE	107	115	120	125	134	139	146

*A unit in the various media listed includes a single black-and-white page for newspapers, a four-color ad for magazines, 30-second spots for network and spot TV, one-minute spots for network and spot radio; a 100 showing in outdoor (100 GRPs, which is the reach and frequency of x-amount of boards per day), and 25,000 pieces of direct mail.
GRP = Gross Rating Points
= The sum of the ratings for a series of programs which makes it possible to compare the relative magnitude of advertisers' schedules.
– One rating point equals 1% of the households in a market.
Media Unit Cost—Lets you rank on a per unit basis and then compare the media.

Source: Robert J. Coen, McCann-Erickson 1990

ESTIMATED 1988–1989 U.S. AD VOLUME

	1988 ($ MILLIONS)	1989 ($ MILLIONS)	% Change
NATIONAL			
NEWSPAPERS	3,586	3,720	+ 3.7
MAGAZINES	6,072	6,716	+10.6
NETWORK TV	9,172	9,110	– 0.7
SPOT TV	7,147	7,354	+ 2.9
CABLE TV	942	1,197	+27.0
SYNDICATED TV	901	1,288	+42.9
NETWORK RADIO	425	476	+11.9
SPOT RADIO	1,418	1,547	+ 9.1
OUTDOOR	628	653	+ 4.0
DIRECT MAIL	21,115	21,945	+ 3.9
OTHER NATIONAL MEDIA	14,204	14,984	+ 5.5
TOTAL NATIONAL ADVERTISING	65,610	68,990	+ 5.2
LOCAL			
NEWSPAPERS	27,611	28,648	+ 3.8
LOCAL TV	7,270	7,612	+ 4.7
CABLE TV	254	330	+ 3.0
LOCAL RADIO	5,955	6,300	+ 5.8
OUTDOOR	436	458	+ 5.0
OTHER LOCAL MEDIA	10,914	11,592	+ 6.2
TOTAL LOCAL ADVERTISING	52,440	54,940	+ 4.8
TOTAL ALL ADVERTISING	118,050	123,930	+ 5.0

Note: According to Robert J. Coen, senior vice president and director of forecasting at McCann-Erickson, the total U.S. Advertising Expenditures for 1990 are now projected at 130.0 billion, a gain of between 5% and 6% over 1989.

Source: Robert J. Coen, McCann-Erickson, Inc. 1990

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1981–1989
(IN MILLIONS OF DOLLARS)

	1981	1982	1983	1984	1985	1986	1987	1988	1989
NEWSPAPERS									
TOTAL	16,528	17,694	20,582	23,522	25,170	26,990	29,412	31,197	32,368
NATIONAL	2,259	2,452	2,734	3,081	3,352	3,376	3,494	3,586	3,720
LOCAL	14,269	15,242	17,848	20,441	21,818	23,614	25,918	27,611	28,648
MAGAZINES									
TOTAL	3,533	3,710	4,253	4,932	5,155	5,317	5,607	6,072	6,716
WEEKLIES	1,598	1,659	1,917	2,224	2,297	2,327	2,445	—	—
WOMEN'S	853	904	1,056	1,209	1,294	1,376	1,417	—	—
MONTHLIES	1,082	1,147	1,260	1,499	1,564	1,614	1,745	—	—
FARM PUBLICATIONS	146	148	161	181	186	192	196	196	212
TELEVISION									
TOTAL	12,846	14,636	16,759	19,848	21,022	22,881	23,904	25,686	26,891
THREE NETWORKS	5,540	6,144	6,955	8,318	8,060	8,342	8,500	9,172	9,110
CABLE NETWORKS	100	181	282	458	594	676	760	942	1,197
SYNDICATION (NAT'L)	75	150	300	420	520	600	762	901	1,288
SPOT (NAT'L)	3,746	4,364	4,827	5,488	6,004	6,570	6,846	7,147	7,354
SPOT (LOCAL)	3,368	3,765	4,345	5,084	5,714	6,514	6,833	7,270	7,612
CABLE (NON-NETWORK)	17	32	50	80	130	179	203	254	330
RADIO									
TOTAL	4,230	4,670	5,210	5,817	6,490	6,949	7,206	7,798	8,323
NETWORK	230	255	296	320	365	423	413	425	476
SPOT (NAT'L)	879	923	1,038	1,197	1,335	1,348	1,330	1,418	1,547
SPOT (LOCAL)	3,121	3,492	3,876	4,300	4,790	5,178	5,463	5,955	6,300
YELLOW PAGES									
TOTAL	3,300	3,800	4,400	4,900	5,800	6,500	7,300	7,781	8,330
NATIONAL	380	433	489	580	695	759	830	944	1,011
LOCAL	2,920	3,367	3,911	4,320	5,105	5,741	6,470	6,837	7,319
DIRECT MAIL	8,944	10,319	11,795	13,800	15,500	17,145	19,111	21,115	21,945
BUSINESS PUBLICATIONS	1,841	1,876	1,990	2,270	2,375	2,382	2,458	2,610	2,763
OUTDOOR									
TOTAL	650	721	794	872	945	985	1,025	1,064	1,111
NATIONAL	419	465	512	562	610	600	615	628	653
LOCAL	231	256	282	310	335	385	410	436	458
MISCELLANEOUS									
TOTAL	8,412	9,006	9,924	11,678	12,107	12,799	13,431	14,531	15,271
NATIONAL	5,798	6,365	6,911	8,083	8,604	9,120	9,703	10,454	10,998
LOCAL	2,614	2,641	3,013	3,595	3,503	3,679	3,728	4,077	4,273
TOTAL									
NATIONAL	33,890	37,785	42,525	49,690	53,355	56,850	60,625	65,610	68,990
LOCAL	26,540	28,795	33,325	38,130	41,395	45,290	49,025	52,440	54,940
GRAND TOTAL	60,430	66,580	75,850	87,820	94,750	102,140	109,650	118,050	123,930

Source: Robert J. Coen, McCann-Erickson, Inc., 1990

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1972–1980
(IN MILLIONS OF DOLLARS)

	1972	1973	1974	1975	1976	1977	1978	1979	1980
NEWSPAPERS									
TOTAL	6,938	7,481	7,842	8,234	9,618	10,751	12,214	13,863	14,794
NATIONAL	1,062	1,049	1,105	1,109	1,342	1,472	1,541	1,770	1,963
LOCAL	5,876	6,432	6,737	7,125	8,276	9,279	10,673	12,093	12,831
MAGAZINES									
TOTAL	1,440	1,448	1,504	1,465	1,789	2,162	2,597	2,932	3,149
FARM PUBLICATIONS	59	65	72	74	86	90	104	120	130
TELEVISION									
TOTAL	4,091	4,460	4,854	5,263	6,721	7,612	8,955	10,154	11,469
THREE NETWORKS	1,804	1,968	2,145	2,306	2,857	3,460	3,975	4,599	5,130
CABLE NETWORKS	—	—	—	—	—	—	—	—	45
SYNDICATION (NAT'L)	—	—	—	—	—	—	—	—	50
SPOT (NAT'L)	1,318	1,377	1,497	1,623	2,154	2,204	2,607	2,873	3,269
SPOT (LOCAL)	969	1,115	1,212	1,334	1,710	1,948	2,373	2,682	2,967
CABLE (NON-NETWORK)	—	—	—	—	—	—	—	—	8
RADIO									
TOTAL	1,612	1,723	1,837	1,980	2,330	2,634	3,052	3,310	3,702
NETWORK	74	68	69	83	105	137	147	161	183
SPOT (NAT'L)	402	400	405	436	518	546	620	665	779
SPOT (LOCAL)	987	1,255	1,363	1,461	1,707	1,951	2,285	2,484	2,740
YELLOW PAGES									
TOTAL	—	—	—	—	—	—	—	—	2,900
NATIONAL	—	—	—	—	—	—	—	—	330
LOCAL	—	—	—	—	—	—	—	—	2,570
DIRECT MAIL	3,420	3,698	4,054	4,124	4,786	5,164	5,987	6,653	7,596
BUSINESS PUBLICATIONS	781	865	900	919	1,035	1,221	1,400	1,575	1,674
OUTDOOR									
TOTAL	292	308	309	335	383	418	466	540	578
NATIONAL	192	200	203	220	252	290	307	355	364
LOCAL	100	108	106	115	131	128	159	185	214
MISCELLANEOUS									
TOTAL	4,577	4,932	5,248	5,506	6,552	7,388	8,555	9,633	7,558
NATIONAL	2,428	2,562	2,746	2,841	3,431	3,849	4,435	4,992	5,153
LOCAL	2,149	2,370	2,502	2,665	3,121	3,539	4,120	4,641	2,405
TOTAL									
NATIONAL	12,980	13,700	14,700	15,200	18,355	20,595	23,720	26,695	29,815
LOCAL	10,230	11,280	11,920	12,700	14,945	16,845	19,610	22,085	23,735
GRAND TOTAL	23,210	24,980	26,620	27,900	33,300	37,440	43,330	48,780	53,550

Source: Robert J. Coen, McCann-Erickson, Inc., 1990

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1963–1971
(IN MILLIONS OF DOLLARS)

	1963	1964	1965	1966	1967	1968	1969	1970	1971
NEWSPAPERS									
TOTAL	3,780	4,120	4,426	4,865	4,910	5,232	5,714	5,704	6,167
NATIONAL	702	773	784	887	846	889	943	891	972
LOCAL	3,078	3,347	3,642	3,978	4,064	4,343	4,771	4,813	5,195
MAGAZINES	1,002	1,074	1,161	1,254	1,245	1,283	1,344	1,292	1,370
FARM PUBLICATIONS	66	66	71	70	68	68	64	62	57
TELEVISION									
TOTAL	2,032	2,289	2,515	2,823	2,909	3,231	3,585	3,596	3,534
NETWORK	1,025	1,132	1,237	1,393	1,455	1,523	1,678	1,658	1,593
SPOT	698	806	892	988	988	1,131	1,253	1,234	1,145
LOCAL	309	351	386	442	466	577	654	704	796
RADIO									
TOTAL	789	846	917	1,010	1,048	1,190	1,264	1,308	1,445
NETWORK	56	59	60	63	64	63	59	56	63
SPOT	243	256	275	308	314	360	368	371	395
LOCAL	490	531	582	639	670	767	837	881	987
DIRECT MAIL	2,078	2,184	2,324	2,461	2,488	2,612	2,670	2,766	3,067
BUSINESS PAPERS	615	623	671	712	707	714	752	740	720
OUTDOOR									
TOTAL	171	175	180	178	191	208	213	234	261
NATIONAL	115	117	120	118	126	137	138	154	172
LOCAL	56	58	60	60	65	71	75	80	89
MISCELLANEOUS									
TOTAL	2,567	2,773	2,985	3,257	3,304	3,552	3,814	3,848	4,079
NATIONAL	1,520	1,630	1,745	1,896	1,909	2,020	2,131	2,126	2,201
LOCAL	1,047	1,143	1,240	1,361	1,395	1,532	1,683	1,722	1,878
TOTAL									
NATIONAL	8,120	8,720	9,340	10,150	10,210	10,800	11,400	11,350	11,755
LOCAL	4,980	5,430	5,910	6,480	6,660	7,290	8,020	8,200	8,945
GRAND TOTAL	13,100	14,150	15,250	16,630	16,870	18,090	19,420	19,550	20,700

Source: Robert J. Coen, McCann-Erickson, Inc., 1990

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1954–1962
(IN MILLIONS OF DOLLARS)

	1954	1955	1956	1957	1958	1959	1960	1961	1962
NEWSPAPERS									
TOTAL	2,685	3,077	3,223	3,268	3,176	3,526	3,681	3,601	3,659
NATIONAL	607	712	754	768	724	773	778	744	722
LOCAL	2,078	2,365	2,469	2,500	2,452	2,753	2,903	2,857	2,937
MAGAZINES	629	691	758	777	734	832	909	895	942
FARM PUBLICATIONS	71	72	73	71	67	71	66	62	65
TELEVISION									
TOTAL	809	935	1,225	1,286	1,387	1,529	1,627	1,691	1,897
NETWORK	422	550	643	690	742	776	820	887	976
SPOT	207	260	329	352	397	486	527	548	629
LOCAL	180	225	253	244	248	267	280	256	292
RADIO									
TOTAL	559	545	567	618	620	656	693	683	736
NETWORK	114	84	60	63	58	44	43	43	46
SPOT	135	134	161	187	190	206	222	220	233
LOCAL	310	327	346	368	372	406	428	420	457
DIRECT MAIL	1,202	1,299	1,419	1,471	1,589	1,688	1,830	1,850	1,933
BUSINESS PAPERS	408	446	496	568	525	569	609	578	597
OUTDOOR									
TOTAL	187	192	201	199	192	193	203	180	171
NATIONAL	126	130	136	134	130	130	137	122	115
LOCAL	61	62	65	65	62	63	66	58	56
MISCELLANEOUS									
TOTAL	1,600	1,793	1,948	2,012	2,020	2,206	2,342	2,320	2,430
NATIONAL	899	1,002	1,111	1,169	1,184	1,280	1,364	1,366	1,437
LOCAL	701	791	837	843	836	926	978	954	993
TOTAL									
NATIONAL	4,820	5,380	5,940	6,250	6,340	6,855	7,305	7,315	7,695
LOCAL	3,330	3,770	3,970	4,020	3,970	4,415	4,655	4,545	4,735
GRAND TOTAL	8,150	9,150	9,910	10,270	10,310	11,270	11,960	11,860	12,430

Source: Robert J. Coen, McCann-Erickson, Inc., 1990

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1946–1953
(IN MILLIONS OF DOLLARS)

	1946	1947	1948	1949	1950	1951	1952	1953
NEWSPAPERS								
TOTAL	1,155	1,471	1,745	1,911	2,070	2,251	2,464	2,632
NATIONAL	238	323	379	463	518	529	537	606
LOCAL	917	1,148	1,366	1,448	1,552	1,722	1,927	2,026
MAGAZINES	405	464	477	458	478	535	575	627
FARM PUBLICATIONS	36	49	56	55	58	64	70	71
TELEVISION								
TOTAL	—	—	—	58	171	332	454	606
NETWORK	—	—	—	30	85	181	256	320
SPOT	—	—	—	9	31	70	94	145
LOCAL	—	—	—	19	55	81	104	141
RADIO								
TOTAL	455	506	562	571	605	606	624	611
NETWORK	200	201	211	203	196	180	162	141
SPOT	98	106	121	123	136	138	141	146
LOCAL	157	199	230	245	273	288	321	324
DIRECT MAIL	334	579	689	756	803	924	1,024	1,099
BUSINESS PUBLICATIONS	211	233	251	248	251	292	365	395
OUTDOOR								
TOTAL	86	121	132	131	142	149	162	176
NATIONAL	60	79	89	88	96	101	109	119
LOCAL	26	42	43	43	46	48	53	57
MISCELLANEOUS								
TOTAL	658	837	958	1,022	1,122	1,267	1,402	1,523
NATIONAL	368	466	522	557	608	696	767	846
LOCAL	290	371	436	465	514	571	635	677
TOTAL								
NATIONAL	1,950	2,500	2,795	2,990	3,260	3,710	4,100	4,515
LOCAL	1,390	1,760	2,075	2,220	2,440	2,710	3,040	3,225
GRAND TOTAL	3,340	4,260	4,870	5,210	5,700	6,420	7,140	7,740

Source: Robert J. Coen, McCann-Erickson, Inc., 1990

ESTIMATED ANNUAL U.S. ADVERTISING EXPENDITURES 1938–1945
(IN MILLIONS OF DOLLARS)

	1938	1939	1940	1941	1942	1943	1944	1945
NEWSPAPERS								
TOTAL	782	793	815	844	797	899	886	919
NATIONAL	148	152	161	162	141	180	191	203
LOCAL	634	641	654	682	656	719	695	716
MAGAZINES	158	169	186	187 201	259		305	344
FARM PUBLICATIONS	14	17	19	19	18	25	29	32
TELEVISION								
TOTAL	—	—	—	—	—	—	—	—
NETWORK	—	—	—	—	—	—	—	—
SPOT	—	—	—	—	—	—	—	—
LOCA'	—	—	—	—	—	—	—	—
RADIO								
TOTAL	167	184	215	247	260	314	393	424
NETWORK	89	99	113	125	129	157	192	198
SPOT	34	35	42	52	59	71	87	92
LOCAL	44	50	60	70	72	86	114	134
DIRECT MAIL	324	333	334	353	329	322	326	290
BUSINESS PUBLICATIONS	61	69	76	89	98	142	177	204
OUTDOOR								
TOTAL	43	44	45	53	44	42	56	72
NATIONAL	32	33	34	37	31	29	39	50
LOCAL	11	11	11	16	13	13	17	22
MISCELLANEOUS								
TOTAL	381	401	420	444	427	487	528	555
NATIONAL	200	213	225	242	228	270	309	327
LOCAL	181	188	195	202	199	217	219	228
TOTAL								
NATIONAL	1,060	1,120	1,190	1,280	1,220	1,455	1,655	1,740
LOCAL	870	890	920	970	940	1,035	1,045	1,100
GRAND TOTAL	1,930	2,010	2,110	2,250	2,160	2,490	2,700	2,840

Source: Robert J. Coen, McCann-Erickson, Inc., 1990

TOTAL POPULATION ORDERING VIA MAIL OR TELEPHONE 1989 vs. 1988

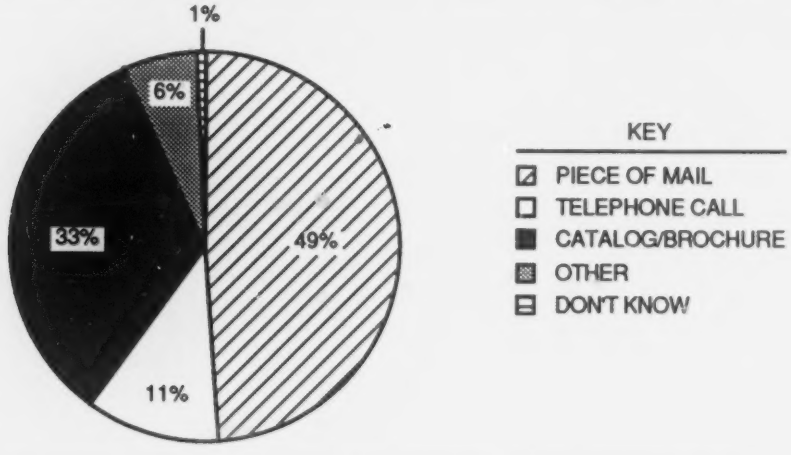
The Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews. The statistics below represent consumers "yes" or "no" response to the *general* question: Have you yourself ordered any merchandise or services by *mail* or *phone* in the LAST 12 MONTHS from offers in magazines, newspapers, television, radio, catalogs or direct mail pieces?

	1988 Total U.S. (000)	1988 Total U.S. Buyers (000)	% Any Product	1989 Total U.S. (000)	1989 Total U.S. Buyers (000)	% Any Product	% Change from 1988 to 1989 Total Buyers	Total Increase in Mail or Telephone Buyers 1988–1989 (000)
Total Adults	176,250	88,534	50.2	178,193	91,666	51.4	+ 3.5%	(+3,132)
Males	84,066	37,142	44.2	85,056	38,876	45.7	+ 4.6%	(+1,734)
Females	92,184	51,392	55.7	93,136	52,790	56.7	+ 2.7%	(+1,398)
18–24	26,535	11,178	42.1	25,713	11,615	45.2	+ 3.9%	(+ 437)
25–34	42,634	21,857	51.3	43,283	22,428	51.8	+ 2.6%	(+ 571)
35–44	33,688	19,457	57.8	34,804	20,273	58.2	+ 4.1%	(+ 816)
45–54	23,361	12,769	54.7	23,902	13,246	55.4	+ 3.7%	(+ 477)
55–64	22,021	11,202	50.9	21,733	11,367	52.3	+ 1.4%	(+ 165)
65 or Older	28,011	12,072	43.1	28,756	12,737	44.3	+ 5.5%	(+ 665)
Graduated College	31,644	19,362	61.2	32,799	20,313	61.9	+ 4.9%	(+ 951)
Attended College	32,702	17,875	54.7	32,672	19,138	58.6	+ 7.0%	(+1,263)
Graduated High School	69,681	36,250	52.0	70,684	36,336	51.4	+ 0.2%	(+ 86)
Did Not Graduate High School	42,223	15,047	35.6	42,039	15,879	37.8	+ 5.5%	(+ 832)
Professional/Manager	28,104	17,252	61.4	29,483	18,639	63.2	+ 8.0%	(+1,387)
Tech/Clerical/Sales	35,802	20,383	56.9	36,012	20,810	57.8	+ 2.0%	(+ 427)
Precision/Craft	14,098	6,413	45.5	14,266	7,019	49.2	+ 9.4%	(+ 606)
Other Employed	33,730	15,116	44.8	30,939	14,248	46.1	– 5.7%	(– 868)
Single	37,865	15,956	42.1	38,354	17,099	44.6	+ 7.1%	(+1,143)
Married	106,963	58,840	55.0	107,815	59,389	55.1	+ 0.9%	(+ 549)
Divorced/Separated/ Widowed	31,422	13,739	43.7	32,024	15,178	47.4	+10.4%	(+1,439)
Parents	67,328	36,330	54.0	59,509	33,327	56.0	– 8.2%	(–3,003)
Northeast—Census	37,366	18,442	49.4	37,709	17,309	45.9	– 6.1%	(–1,133)
Midwest	43,426	24,756	57.0	43,858	26,572	60.6	+ 7.3%	(+1,816)
South	60,402	28,951	47.9	61,120	30,857	50.5	+ 6.5%	(+1,906)
West	35,057	16,386	46.7	35,505	16,928	47.7	+ 3.3%	(+ 542)
Household Income								
$60,000 or More	20,289	12,111	59.7	19,957	12,242	61.3	+ 1.0%	(+ 131)
$50,000 or More	31,340	18,225	58.2	31,697	19,403	61.2	+ 6.4%	(+1,178)
$40,000 or More	53,108	30,886	58.2	53,998	32,925	61.0	+ 6.6%	(+2,039)
$30,000 or More	82,233	46,887	57.0	83,793	50,168	59.9	+ 6.9%	(+3,281)
$30,000–$39,999	29,126	16,001	54.9	29,795	17,243	57.9	+ 7.7%	(+1,242)
$20,000–$29,999	34,891	18,755	53.8	34,040	17,411	51.1	– 7.1%	(–1,344)
$10,000–$19,999	37,097	16,074	43.3	38,419	16,081	41.9	+ 0%	(+ 7)
Under $10,000	22,029	6,818	31.0	21,942	8,007	36.5	+ 1.7%	(+1,189)
Household Size								
1 Person	21,267	8,812	41.4	22,006	9,492	43.1	+ 7.7%	(+ 680)
2 People	55,771	28,049	50.3	57,453	29,731	51.7	+ 6.0%	(+1,682)
3 or 4 People	71,810	38,267	53.3	71,838	38,936	54.2	+ 1.7%	(+ 669)
5 or More People	27,402	13,406	48.9	26,896	13,507	50.2	+ 0.1%	(+ 101)
Children								
No Child in Household	104,468	50,156	48.0	106,426	52,708	49.5	+ 5.0%	(+2,552)
Children Under 2 Years	14,095	6,903	49.0	14,122	7,359	52.1	+ 6.6%	(+ 456)
2–5 Years	25,865	13,163	50.9	26,410	14,447	54.7	+ 9.7%	(+1,284)
6–11 Years	33,171	17,780	53.6	33,185	17,535	52.8	– 1.3%	(– 245)
12–17 Years	33,224	18,081	54.4	33,008	18,198	55.1	+ 0.6%	(+ 112)
Residence Owned	123,262	67,976	55.1	122,907	68,723	55.9	+ 1.1%	(+ 747)
Value: $70,000 or More	70,282	39,998	56.9	60,160	35,228	58.6	–11.9%	(–4,770)
Less than $70,000	52,980	27,978	52.8	62,747	33,495	53.4	+ 1.9%	(+5,517)

Source: Simmons Market Research Bureau: 1988, 1989 Study of Media and Markets

MEANS OF PROMOTION FOR DIRECT MARKETING PURCHASES

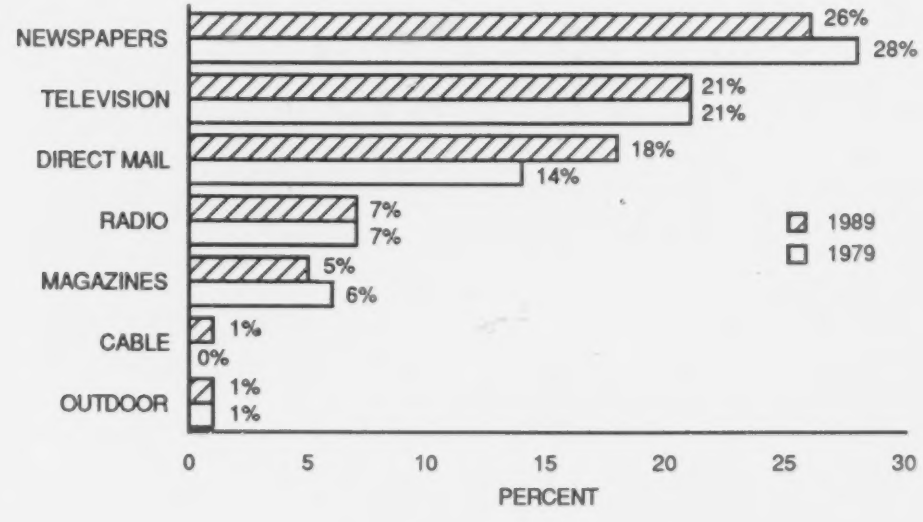
The Gallup Organization's in-depth study of the Future of Direct Marketing was conducted by telephone interviews during the twelve month span of calendar year 1987. Approximately 1,000 consumers were interviewed each month, generating over 12,000 respondents. The study focused on consumer behavior regarding catalogs and other mail order advertising, consumer attitudes and motivations for purchasing by direct response media.



Source: Gallup Organization, 1987

PERCENTAGE OF ALL ADVERTISING SPENDING GOING TO EACH MEDIA: 1989 VS 1979

Direct mail is now the third largest media, and the fastest growing.



Source: ADVO Research/McCann-Erickson, 1989

MAIL ORDER COMPANIES IN THE FORTUNE 500

The following listing includes those companies in the Fortune 500 which DMA has identified as using direct marketing techniques.

	Fortune 500 Rank 1989	Fortune 500 Rank 1988	Company Name	Sales+ Millions	Sales+ % Change from 1988
1	2	2	Ford Motor	96,933	4.9
2	3	3	Exxon	86,656	8.9
3	4	4	International Business Machines	63,438	6.3
4	5	5	General Electric	55,264	11.8
5	7	10	Philip Morris	39,069	51.1
6	9	9	E.I. Du Pont De Nemours	35,209	8.3
7	10	8	Texaco	32,416	-3.4
8	11	11	Chevron	29,443	16.9
9	12	12	Amoco	24,214	14.5
10	13	13	Shell Oil	21,703	3
11	14	15	Proctor & Gamble	21,689	12.2
12	15	19	Boeing	20,276	19.5
13	16	14	Occidental Petroleum	20,068	3.4
14	18	18	Eastman Kodak	18,398	8
15	20	21	Dow Chemical	17,730	6.3
16	21	22	Xerox	17,635	7.3
17	22	17	Atlantic Richfield	15,905	-9.8
18	23	26	Pepsico International	15,420	18.5
19	24	20	RJR Nabisco Holdings	15,224	-10.2
20	25	25	McDonnell Douglas Systems	14,995	-0.5
21	27	30	Digital Equipment	12,866	12.1
22	28	27	Westinghouse Electric	12,844	2.8
23	29	28	Rockwell International	12,633	5.7
24	31	29	Allied-Signal	12,021	0.9
25	32	34	Minnesota Mining & Manufacturing	11,990	13.3
26	33	39	Hewlett-Packard	11,899	21
27	34	36	Sara Lee	11,738	12.6
28	35	42	International Paper	11,378	19.4
29	37	40	Aluminum Company of America	11,162	13.9
30	40	47	Unocal	10,417	17.7
31	41	43	Georgia-Pacific	10,171	7
32	42	37	Weyerhauser	10,106	1
33	43	38	Unisys	10,097	2
34	45	33	Lockheed	9,932	-6.9
35	47	45	Johnson & Johnson	9,844	9.4
36	48	52	Motorola	9,620	16.6
37	49	46	Anheuser-Busch	9,481	6.2
38	51	49	Coca-Cola	9,171	10
39	53	50	Union-Carbide	8,744	5
40	55	51	Monsanto	8,681	4.7
41	56	63	Unilever U.S.	8,114	16.6
42	59	102	Time Warner	7,642	69.6
43	62	62	TRW	7,408	6.1
44	66	87	Deere	7,221	34.6
45	69	71	Ralston Purina	6,712	8.7
46	70	74	Merck	6,698	12.8
47	71	68	Texas Instruments	6,592	4.7
48	73	104	Whirlpool	6,289	42
49	76	69	W.R. Grace	6,115	-1.4
50	78	72	NCR	5,956	-0.6

(continued)

MAIL ORDER COMPANIES IN THE FORTUNE 500

(CONTINUED FROM PAGE 20)

	Fortune 500 Rank 1989	Fortune 500 Rank 1988	Company Name	Sales+ Millions	Sales+ % Change from 1988
51	80	86	Pfizer	5,904	9.6
52	83	79	PPG Industries	5,825	3.7
53	85	76	General Mills	5,798	0.4
54	86	85	Kimberly-Clark	5,777	7.1
55	90	94	Abbott Laboratories	5,454	10.5
56	96	114	Apple Computer	5,284	29.8
57	97	91	Champion International	5,254	2.5
58	98	98	Northrop	5,200	-10.3
59	103	83	Colgate-Palmolive	5,110	-6.8
60	104	98	Scott Paper	5,066	7.2
61	106	101	American Cyanamid	4,825	5.1
62	110	103	Mead	4,647	4.1
63	112	112	Boise Cascade	4,338	5.9
64	114	120	Warner-Lambert	4,272	9.3
65	119	118	Dresser Industries	4,023	2.1
66	121	121	Coca-Cola Enterprises	3,889	0.4
67	124	128	Gilette	3,850	7.5
68	127	123	American Standard	3,631	-2.3
69	130	134	Gannett	3,523	6.3
70	131	138	Times Mirror	3,518	7.9
71	135	132	Avon Products	3,396	0.9
72	136	143	Paccar	3,373	8.4
73	137	150	Intel	3,281	14.1
74	140	124	Agway	3,235	-11.2
75	141	187	Black & Decker	3,221	41.2
76	143	149	R.R. Donnelley & Sons	3,128	8.7
77	145	154	Hercules	3,121	11.4
78	147	145	Wang Laboratory	3,078	0.3
79	152	162	Pitney Bowes	2,959	11
80	153	125	Control Data	2,952	-18.6
81	156	156	Upjohn	2,916	6.2
82	159	137	Brunswick	2,826	-13.1
83	160	161	AMP	2,821	5.7
84	161	163	Union Camp	2,761	3.8
85	163	200	Penzoil	2,750	31.7
86	167	168	Rohm & Haas	2,661	5
87	169	159	Zenith Electronics	2,611	-2.8
88	175	185	Olin	2,530	9.6
89	176	169	B.F. Goodrich	2,521	0
90	178	140	Armco	2,494	-22.7
91	181	140	Corning	2,469	16.4
92	182	181	Tribune	2,455	5.1
93	183	179	Land O'Lakes	2,442	3.7
94	185	167	Hershey Foods	2,421	-5.5
95	186	180	Engelhard	2,403	2.2
96	187	173	National Semiconductor	2,400	-2.8
97	189	192	Knight-Ridder	2,343	6.8
98	193	197	Westvaco	2,287	7.2
99	195	*	Uniroyal Goodrich Tire	2,267	3.5
100	198	152	USG	2,201	-21.7
101	199	174	Burlington Holdings	2,198	-10.4
102	202	208	Dover	2,136	9.3
103	216	232	Cabot	1,944	15.9

(continued)

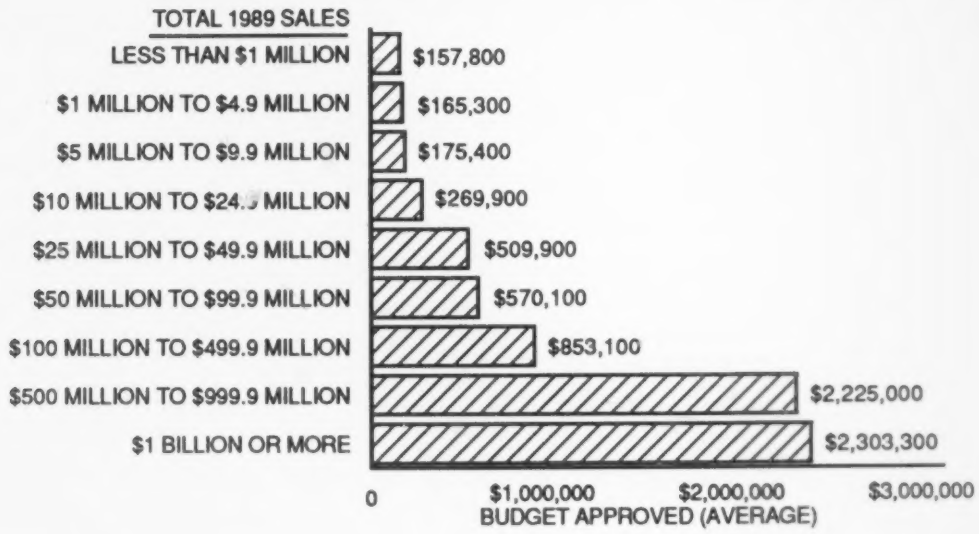
MAIL ORDER COMPANIES IN THE FORTUNE 500

(CONTINUED FROM PAGE 21)

	Fortune 500 Rank 1989	Fortune 500 Rank 1988	Company Name	Sales+ millions	Sales+ % change from 1988
104	218	218	Polaroid	1,942	4.2
105	225	*	Reader's Digest Association	1,871	9.3
106	227	228	New York Times	1,807	3
107	228	235	Mid-America Dairymen	1,798	8.6
108	230	223	McGraw-Hill	1,789	-1.6
109	232	327	Sun Microsystems	1,769	68.2
110	233	244	Avery International	1,732	9.5
111	235	238	Dow Jones	1,715	7
112	237	*	Harcourt Brace Jovanovich	1,702	-4.5
113	246	278	Tandem Computers	1,644	25
114	253	252	Dow Corning	1,574	6.6
115	265	286	Clorox	1,471	16.8
116	268	262	Bowater	1,450	2.8
117	269	269	Washington Post	1,444	5.6
118	271	261	Tektronix	1,438	1.9
119	279	273	Hasbro	1,410	5.2
120	290	272	Data General	1,324	-3
121	293	296	Deluxe	1,321	10.4
122	294	304	Hartmarx	1,312	11.7
123	299	300	McCormick	1,263	6.7
124	302	337	Mattel	1,237	25
125	305	329	Bausch & Lomb	1,231	25.8
126	321	338	Newell	1,123	13.6
127	324	258	Perkin-Elmer	1,105	-22.6
128	333	319	Bemis	1,077	0.7
129	365	372	Intergraph	874	9.2
130	369	*	Terex	863	151
131	371	369	Dexter	859	3.8
132	386	398	Herman Miller	799	12
133	387	401	Meredith	793	16.8
134	394	394	Dennison Manufacturing	777	7.7
135	413	428	Texas Industries	717	12.8
136	418	413	Standard Register	709	5.9
137	421	421	Longview Fibre	701	6.7
138	424	450	Jostens	696	16.9
139	425	437	Commerce Clearing House	692	13
140	432	486	Lone Star Technologies	675	-1.9
141	441	438	Toro	651	6.8
142	443	442	Lukens	645	6.6
143	446	420	Warnaco Group	636	-3.2
144	449	*	Helene Curtis Industries	629	28.7
145	454	447	Bell & Howell	623	3.8
146	466	446	Reynolds & Reynolds	604	0.7
147	474	482	Banta	589	11.8
148	478	*	Interface	582	46.7
149	483	*	Stanhome	577	20.1
150	489	456	Oxford Industries	566	-4.1
151	498	*	Western Publishing Group	551	16.4

* - denotes that corporation did not have a Fortune 500 ranking in 1988
+ - represents total sales for corporation; not necessarily mail order only
Source: DMA Marketing Department/Fortune Magazine, 1990

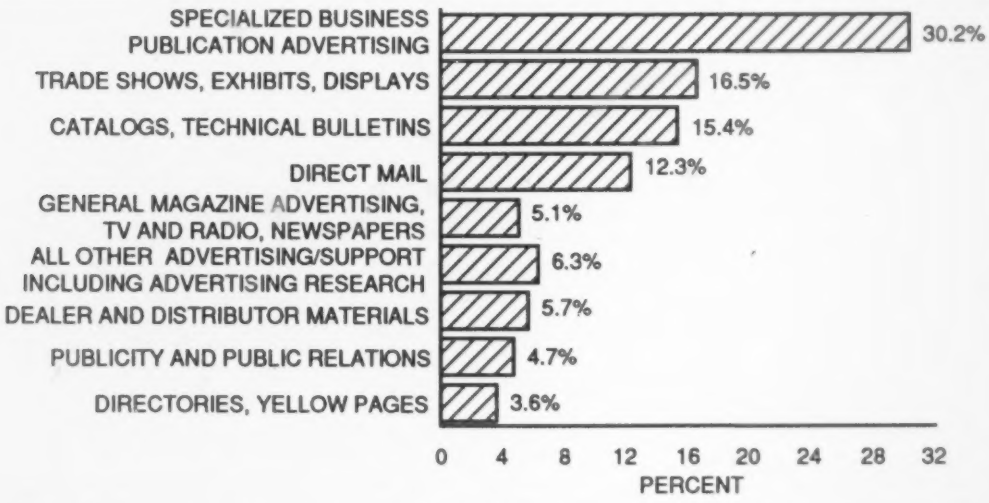
ADVERTISING/SALES PROMOTION SPENDING BY COMPANY SIZE



Source: Business Marketing, March 1990

PROJECTED BREAKDOWN OF 1990 ADVERTISING/SALES PROMOTION BUDGETS BY PERCENTAGE

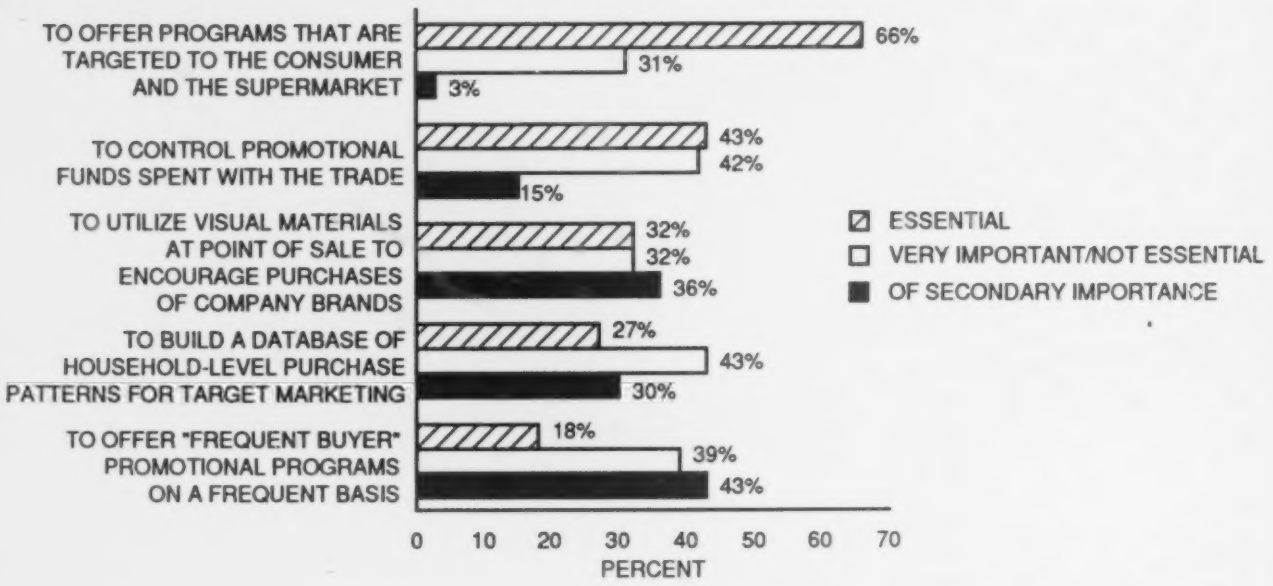
Business Marketing conducted its Annual Budget Survey in December, 1989. Of the 843 respondents, 50% had approved or nearly approved budgets. The average approved marketing communications budget for 1990 is $416,500.



Source: Business Marketing, March 1990

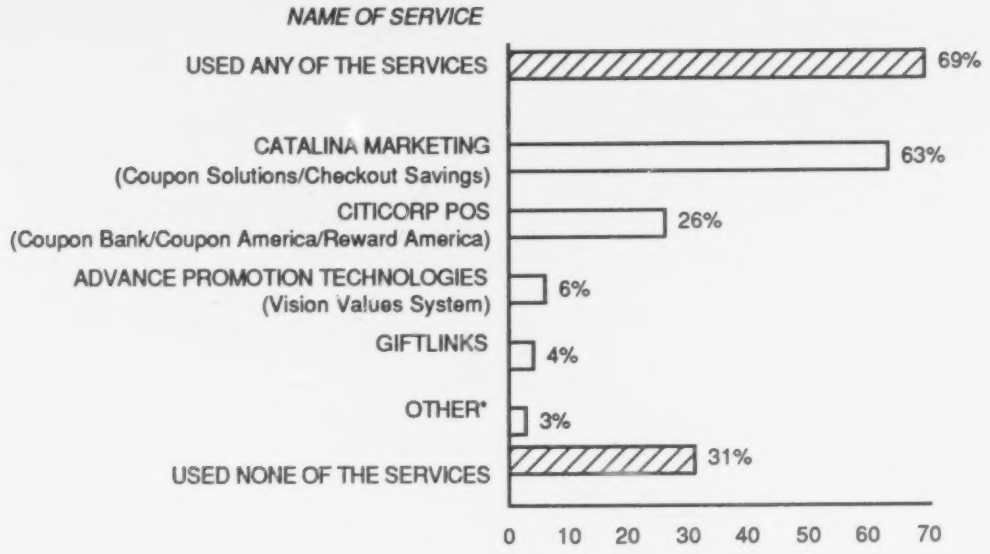
The Twelfth Annual Survey of Promotional Practices, sponsored by Donnelley Marketing, was conducted in September and October 1989 among 145 marketing executives who manage a large portion of all sales promotions for nondurable goods and services in the U.S. A 52.6% response rate was achieved.

IMPORTANCE OF EACH OVERALL OBJECTIVE AS A REASON FOR PARTICIPATING IN FUTURE ELECTRONIC PROMOTIONS



Source: Donnelley Marketing, Twelfth Annual Survey of Promotional Practices, 1989

EXPERIENCE WITH ELECTRONIC RETAIL PROMOTIONS



*Includes one each of: Savings Spot, Sears-Pay Back, and Frequent Shoppers.

Source: Donnelley Marketing. Twelfth Annual Survey of Promotional Practices, 1989.

WHETHER CONCERN FOR THE USE OF CONSUMER INFORMATION IS GENUINE OR BLOWN OUT OF PROPORTION: LEADERS

Executives in privacy-intensive industries (i.e., insurance, credit, banks and thrifts, direct marketing, human resources, and consumer affairs) were asked the following question: "Do you feel that consumers are genuinely concerned about (read each item)? Is this a matter that you feel is being blown out of proportion by the media or privacy advocates?

	Leaders Privacy–Intensive Industries					Corporate Spokesperson
Base	Insurance % 152	Credit Grantors % 150	Banks and Thrifts % 157	Direct Marketers % 150	Human Resources % 203	Consumer Affairs % 104
Compiling lists of consumer characteristics for use in direct marketing						
Genuinely concerned	51	39	48	35	50	57
Blown out of proportion	47	59	50	59	46	38
Not sure	1	3	2	6	4	5
Using information from credit bureau files for direct marketing purposes						
Genuinely concerned	67	51	58	54	60	65
Blown out of proportion	32	47	38	41	36	25
Not sure	1	2	4	5	4	10

Source: Equifax, Inc., The Equifax Report on Consumers in the Information Age, 1990.

MEDIA

- DIRECT MAIL
- CATALOG
- TELEPHONE
- PRINT/PROMOTION
- TELEVISION

• DIRECT MAIL

CONSUMER ATTITUDES

BUYING HABITS

COSTS

TRENDS

ENVIRONMENTAL CONCERNS

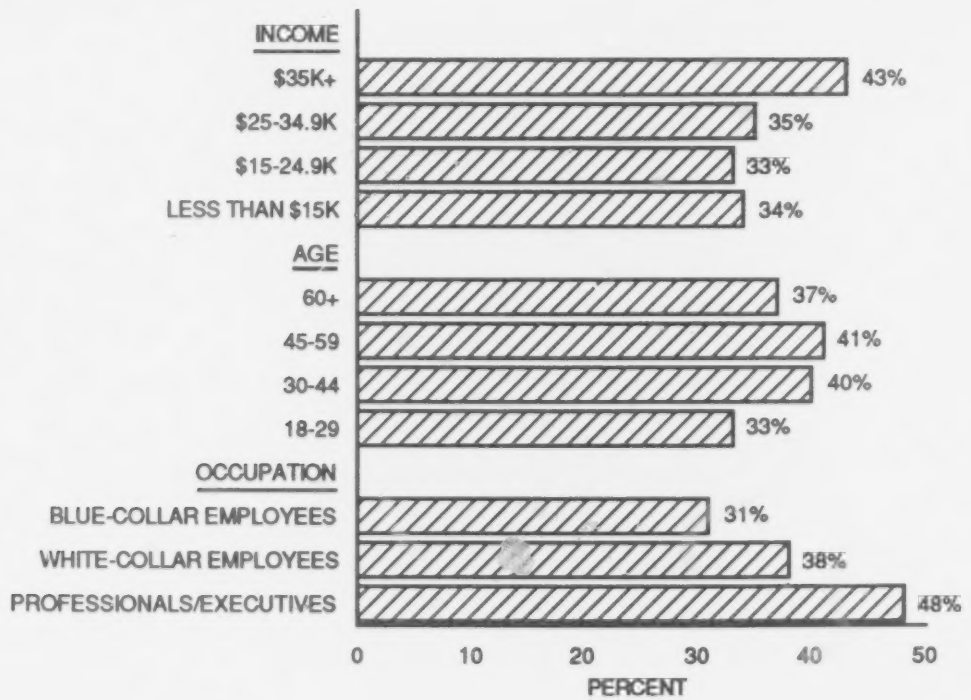
USEFULNESS OF THIRD-CLASS REGULAR MAIL PIECE BY SHAPE

POSTAL YEAR 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Usefulness	Letter-Size Envelope	Larger Than Letter Envelope	Detached Label Card	Post-Card	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total
USEFUL	32.4	36.2	25.7	34.9	55.5	44.3	37.4	40.3
INTERESTING	21.5	28.0	17.4	18.3	27.0	21.4	19.3	23.0
NOT INTERESTING	27.8	22.9	36.5	33.0	9.7	19.1	11.4	21.5
OBJECTIONABLE	7.0	4.9	7.5	6.1	1.9	3.4	2.9	4.6
DON'T KNOW/NO ANSWER	11.3	8.1	12.9	7.7	5.9	11.9	29.1	10.6
TOTAL MAIL RECEIVED BY HOUSEHOLDS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study, 1989

PERCENTAGE OF ADULTS WHO THROW OUT DIRECT MAIL WITHOUT OPENING IT



Source: The Roper Organization, 1989

PERCENT OF TOTAL POPULATION ORDERING PRODUCTS BY PHONE OR MAIL

The 1989 Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,373 adults, interviewed between June 13, 1988 and April 12, 1989. The product usage and buying behavior data was gathered through self administered questionnaires and personal interviews.

	TOTAL U.S. (000)	TOTAL U.S. PRODUCT	COOK BOOKS	BOOK CLUB BOOKS	COSMETICS	RECORDS	MAGAZINES	PHOTO PROCESSING	COSTUME JEWELRY	CLOTHING	CURTAINS BEDSPREADS LINEN
TOTAL ADULTS	178,193	51.4	3.7	7.0	3.1	3.4	20.6	4.3	3.5	17.2	5.3
MALES	85,056	45.7	2.1	5.5	1.6	3.2	16.9	3.1	2.0	12.0	2.6
FEMALES	93,136	56.7	5.3	8.4	4.6	3.5	24.0	5.3	4.9	22.0	7.9
18–24	25,713	45.2	2.8	6.2	3.1	3.6	16.3	3.1	3.8	11.8	4.1
25–34	43,283	51.8	3.0	8.2	3.1	4.3	22.5	5.8	3.1	16.6	5.7
35–44	34,804	58.2	4.3	8.6	3.9	4.1	23.4	5.5	3.5	20.8	6.9
45–54	23,902	55.4	5.5	7.1	3.5	3.1	25.3	3.8	4.4	20.4	6.2
55–64	21,733	52.3	4.1	6.6	2.8	2.5	19.4	3.2	3.9	17.5	4.7
65 OR OLDER	28,756	44.3	3.2	4.0	2.4	1.9	14.9	2.6	2.9	16.0	3.8
GRADUATED COLLEGE	32,799	61.9	3.8	9.5	3.2	3.9	25.0	5.5	2.7	23.7	5.1
ATTENDED COLLEGE	32,672	58.6	4.8	9.4	3.2	3.5	23.7	5.0	4.1	20.3	7.2
GRADUATED HIGH SCHOOL	70,684	51.4	3.8	6.5	3.1	3.2	21.7	4.5	4.0	16.4	5.6
DID NOT GRADUATE HIGH SCHOOL	42,039	37.8	2.8	4.0	3.1	3.1	12.8	2.3	2.8	11.2	3.7
PROFESSIONAL/MANAGER	29,483	63.2	3.8	9.3	3.3	4.0	26.3	5.9	2.9	24.4	6.2
TECHNICAL/CLERICAL SALES	36,012	57.8	5.1	8.5	3.9	3.6	24.5	6.0	5.2	21.0	6.6
PRECISION/CRAFT	14,266	49.2	2.6	5.7	2.8	4.0	20.1	3.0	2.3	12.8	2.9
OTHER EMPLOYED	30,939	46.1	3.4	5.3	2.7	4.3	17.6	3.7	3.1	13.0	5.2
SINGLE	38,354	44.6	2.1	5.9	2.5	3.8	16.4	3.3	3.3	12.4	3.3
MARRIED	107,815	55.1	4.2	7.6	3.4	3.4	22.7	4.9	3.4	19.1	6.4
DIVORCED, SEPARATED, WIDOWED	32,024	47.4	4.1	6.2	3.2	2.6	18.5	3.3	4.1	16.9	4.3
PARENTS	59,509	56.0	3.7	8.8	3.7	3.8	24.0	5.7	3.5	18.3	7.3
NORTHEAST-CENSUS	37,709	45.9	2.7	5.3	3.6	2.4	18.1	5.7	3.0	16.3	5.6
MIDWEST	43,858	60.6	3.8	8.6	2.7	4.1	26.5	4.5	3.8	23.0	7.1
SOUTH	61,120	50.5	4.4	6.6	3.7	3.4	18.8	4.0	3.8	14.9	4.8
WEST	35,505	47.7	3.7	7.5	2.2	3.5	18.9	2.9	3.1	15.2	3.9
HOUSEHOLD INCOME											
$60,000 OR MORE	19,957	61.3	4.1	8.1	2.4	3.4	25.4	4.2	2.5	23.0	5.6
$50,000 OR MORE	31,697	61.2	4.4	8.3	3.1	3.5	24.9	4.8	2.4	22.2	5.8
$40,000 OR MORE	53,998	61.0	4.2	8.6	3.4	3.2	25.0	5.0	3.1	22.3	6.6
$30,000 OR MORE	83,793	59.9	4.5	8.4	3.4	3.7	24.9	5.3	3.4	21.6	6.8
$30,000–$39,999	29,795	57.9	4.9	8.2	3.5	4.5	24.7	5.9	4.0	20.1	7.1
$20,000–$29,999	34,040	51.1	3.4	7.2	3.4	3.5	21.2	4.5	3.5	16.8	5.5
$10,000–$19,999	38,419	41.9	2.9	5.2	2.1	3.0	15.2	3.1	4.3	12.3	3.3
UNDER $10,000	21,942	36.5	2.9	4.3	3.4	2.6	12.6	1.9	2.5	10.0	3.4
HOUSEHOLD SIZE											
1 PERSON	22,006	43.1	2.5	5.4	2.2	2.9	16.0	2.4	2.9	14.9	3.5
2 PEOPLE	57,453	51.7	4.2	6.3	3.1	3.2	20.1	4.3	3.7	18.7	4.9
3 OR 4 PEOPLE	71,838	54.2	4.0	8.1	3.3	3.4	22.9	4.9	3.3	17.9	5.9
5 OR MORE PEOPLE	26,896	50.2	3.0	6.8	3.5	4.1	19.1	4.1	4.1	14.3	6.2
NO CHILD IN HOUSEHOLD	106,426	49.5	3.8	6.1	2.9	3.2	19.1	3.6	3.5	17.2	4.4
CHILDREN UNDER 2 YEARS	14,122	52.1	3.8	10.8	4.0	3.9	20.8	5.8	3.2	14.3	6.2
2–5 YEARS	26,410	54.7	3.0	9.2	4.1	3.9	23.4	6.2	3.5	16.5	7.0
6–11 YEARS	33,185	52.8	3.4	8.1	3.3	3.6	22.4	5.6	4.0	17.4	6.8
12–17 YEARS	33,008	55.1	4.1	6.7	3.5	3.9	22.3	4.8	3.6	18.0	7.2
RESIDENCE OWNED	122,907	55.9	4.0	7.2	3.2	3.3	22.5	4.7	3.5	19.9	6.3
VALUE $70,000 OR MORE	60,160	58.6	4.4	7.8	3.2	3.1	23.0	5.1	3.3	21.9	7.0
VALUE LESS THAN $70,000	62,747	53.4	3.7	6.7	3.3	3.6	22.1	4.3	3.8	18.1	5.6

(continued)

PERCENT OF TOTAL POPULATION ORDERING PRODUCTS BY PHONE OR MAIL
(CONTINUED FROM PAGE 32)

	TOYS	COOKWARE, KITCHEN ACCESSORIES	TREES, PLANTS, SEEDS	GREETING CARDS	OTHER BOOKS	AUTO ACCESSORIES	SHOES OR BOOTS	AUDIO CASSETTE TAPES	TRAVEL/ TOUR INFORMATION	CREDIT CARDS
TOTAL ADULTS	4.3	3.5	4.8	3.8	5.2	3.2	4.9	5.9	6.1	5.0
MALES	2.3	2.1	4.2	1.9	4.9	4.3	3.7	5.7	5.3	4.2
FEMALES	6.1	4.8	5.5	5.5	5.5	2.2	6.1	6.1	6.8	5.8
18–24	1.6	2.1	2.0	2.2	4.3	3.0	3.5	6.4	3.2	4.6
25–34	6.5	3.2	4.6	4.0	5.0	3.6	3.8	6.0	5.6	6.3
35–44	5.9	4.2	5.2	4.6	6.6	4.2	5.7	7.3	7.9	6.9
45–54	3.6	4.4	6.5	4.5	5.8	3.7	6.2	6.2	7.7	5.0
55–64	4.1	3.4	6.3	2.9	6.0	2.4	5.4	6.1	7.3	4.3
65 OR OLDER	2.4	3.9	4.9	3.9	3.8	1.9	5.6	3.3	5.1	1.9
GRADUATED COLLEGE	4.7	3.6	5.7	4.9	6.7	3.9	5.9	7.3	10.7	7.8
ATTENDED COLLEGE	4.9	4.5	5.5	4.2	6.6	3.4	5.6	5.9	7.7	6.0
GRADUATED HIGH SCHOOL	4.8	3.6	5.2	4.0	5.1	3.5	4.8	5.8	5.5	4.8
DID NOT GRADUATE HIGH SCHOOL	2.7	2.7	3.1	2.2	3.2	2.2	3.8	5.1	2.3	2.6
PROFESSIONAL/MANAGER	4.7	4.8	5.7	4.8	7.7	3.7	5.5	7.3	10.1	7.5
TECHNICAL/CLERICAL/ SALES	5.0	3.4	5.3	4.9	5.5	3.1	5.5	6.7	8.1	7.4
PRECISION/CRAFT	3.0	2.3	4.0	2.3	3.4	6.5	3.0	7.6	3.5	5.1
OTHER EMPLOYED	4.1	3.0	3.9	2.9	4.7	3.9	4.2	6.9	3.8	4.3
SINGLE	1.9	2.3	2.9	2.5	4.3	3.1	3.5	5.8	4.7	4.9
MARRIED	5.4	3.8	5.8	4.3	5.8	3.6	5.4	6.2	7.1	5.4
DIVORCED, SEPARATED, WIDOWED	3.6	4.0	4.0	3.6	4.4	2.2	5.2	5.1	4.6	4.1
PARENTS	7.0	3.6	4.8	4.3	5.9	3.6	4.5	6.3	5.4	5.9
NORTHEAST--CENSUS	4.4	3.5	4.7	4.1	4.4	2.6	4.0	4.3	6.7	5.3
MIDWEST	5.4	4.0	7.0	4.7	5.6	4.2	6.3	6.6	7.2	5.9
SOUTH	3.9	3.1	4.1	2.6	5.7	3.1	4.9	6.6	5.2	4.6
WEST	3.6	3.7	3.6	4.2	5.0	2.8	4.2	5.7	5.7	4.4
HOUSEHOLD INCOME										
$60,000 OR MORE	4.4	4.0	6.7	5.5	5.9	3.8	5.6	7.5	11.1	8.2
$50,000 OR MORE	4.5	3.9	6.1	5.4	6.2	3.9	5.3	6.8	10.5	7.3
$40,000 OR MORE	4.8	3.9	5.9	5.2	6.8	4.2	5.1	7.2	9.7	7.1
$30,000 OR MORE	5.4	3.8	5.9	5.1	6.7	4.4	5.3	6.8	9.1	7.0
$30,000–$39,999	6.4	3.8	6.0	4.8	6.4	4.7	5.5	6.3	7.9	6.9
$20,000–$29,999	3.5	4.1	5.1	3.0	4.2	3.1	4.4	6.1	4.5	4.4
$10,000–$19,999	3.5	3.0	3.6	2.6	4.3	1.5	5.2	4.9	3.7	3.0
UNDER $10,000	2.7	2.4	2.7	2.0	3.1	2.2	4.0	3.8	1.5	2.0
HOUSEHOLD SIZE										
1 PERSON	3.0	3.4	3.5	3.1	3.7	2.3	4.7	4.1	4.3	3.3
2 PEOPLE	3.5	3.9	5.7	3.7	4.9	3.4	5.8	5.9	7.8	4.5
3 OR 4 PEOPLE	5.2	3.4	4.7	4.0	5.8	3.2	4.5	6.0	5.9	6.1
5 OR MORE PEOPLE	4.9	3.0	4.5	3.8	5.9	3.6	4.3	7.4	4.7	4.8
NO CHILD IN HOUSEHOLD	3.1	3.6	4.9	3.5	4.8	3.1	5.3	5.4	6.9	4.7
CHILDREN UNDER 2 YEARS	7.1	2.5	4.1	4.0	6.4	2.6	3.3	4.1	3.2	5.3
2–5 YEARS	8.3	3.8	4.2	3.8	7.3	3.0	4.3	5.3	4.0	6.0
6–11 YEARS	6.8	3.6	4.8	4.7	5.5	3.2	4.5	6.8	6.1	5.3
12–17 YEARS	4.3	3.4	5.1	3.7	5.5	4.2	4.8	7.9	5.3	5.4
RESIDENCE OWNED	4.7	3.8	5.9	4.5	5.8	3.5	5.4	6.3	7.4	5.5
VALUE $70,000 OR MORE	5.1	4.3	6.2	5.3	6.1	3.5	5.1	5.9	9.5	6.1
VALUE LESS THAN $70,000	4.4	3.4	5.6	3.6	5.6	3.5	5.6	6.6	5.3	4.8

Source: Simmons Market Research Bureau 1989 Study of Media and Markets

SEASONALITY STUDY/UPDATE #14—APRIL 1990

PREPARED BY THE KLEID COMPANY, INC.

The first Kleid Company Seasonality Study was issued in April 1978, covering the 12-month period from March 1977–February 1978. The primary objective was to bring together information on a month-by-month basis to track seasonal patterns. While it may not be absolute, it does reveal trends and is directional.

One comment that surfaces from time to time is that this study is based on volume and not response. True—but not true. First, most companies schedule their mailings within the time frames which historically have been most responsive. Of course there can be variations to this theme. But one decision point based on sound financial principles is critical; no company will continue to mail in volume in a season that dramatically increases the cost of doing business.

Secondly, while this analysis is based on volume, it is enhanced by a comparison to actual response. This correlation covers a representative sampling of companies within each product category.

Another thought: for multi-product companies a seasonality performance study by product could be useful in allocating mail dates. It is possible that a successful product with a high R.O.I. can continue to generate an acceptable profit even if assigned a low priority mail date. Conversely, a new product which does not yet contribute to profit could be assigned a high priority mail date in order to accelerate the R.O.I.

Source: Rose Harper, President, The Kleid Company, Inc., 1990.

SUMMARY OF FIVE-YEAR AVERAGES FOR THE YEARS THROUGH:

	1988–89		1989–90	
	TOP MONTH	#2 MONTH	TOP MONTH	#2 MONTH
BUSINESS & FINANCE	**DECEMBER**	SEPTEMBER	**DECEMBER**	MAY
CULTURAL READING	**DECEMBER**	JUNE	**DECEMBER**	MAY/JUNE
GENERAL READING	**DECEMBER**	JUNE	**DECEMBER**	JUNE
SELF-IMPROVEMENT	**DECEMBER**	SEPTEMBER	**MAY**	DECEMBER
HOME INTEREST	**DECEMBER**	JUNE	**SEPTEMBER**	DECEMBER
PARENTS & CHILDREN	**DECEMBER**	OCTOBER	**SEPTEMBER**	DECEMBER
HOBBIES/RELATED SUBJECTS	**DECEMBER**	JUNE	**DECEMBER**	JUNE
ENTERTAINMENT	**DECEMBER**	JANUARY	**DECEMBER**	JANUARY
EDUCATIONAL/TECHNICAL/PROF.	**MARCH**	OCTOBER	**JULY**	DECEMBER
FUNDRAISING	**NOVEMBER**	AUGUST	**NOVEMBER**	OCTOBER
HEALTH	**DECEMBER**	JULY	**DECEMBER**	JUNE

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: BUSINESS/FINANCE
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
3.	MARCH	6.4	6.9	6.9	7.4	10.1	7.5
	APRIL	7.0	5.9	7.3	6.0	7.1	6.7
2.	MAY	6.2	6.8	10.7	9.4	12.7	9.2
	JUNE	11.2	12.1	7.6	6.4	5.6	8.6
	JULY	5.4	5.8	5.4	5.9	6.8	5.8
	AUGUST	6.5	5.4	6.9	7.5	5.7	6.4
	SEPTEMBER	7.2	8.5	8.6	10.2	8.4	8.6
	OCTOBER	8.4	9.5	7.4	6.4	7.5	7.8
	NOVEMBER	6.3	3.7	5.8	6.0	5.2	5.4
1.	DECEMBER	17.9	18.0	17.4	20.7	14.8	17.8
4.	JANUARY	11.2	11.3	12.3	10.1	9.9	10.9
	FEBRUARY	6.3	6.1	3.7	4.0	6.2	5.3
	TOTAL:	100%	100%	100%	100%	100%	100%

December refuses to give up the top spot. May replaced September as #2 and March is creeping up.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: CULTURAL READING
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
	MARCH	5.8	6.1	4.7	9.0	5.3	6.2
	APRIL	1.3	1.2	1.3	1.0	4.6	1.9
2.	MAY	1.5	1.0	0.5	2.7	13.6	3.9
3.	JUNE	13.4	13.5	23.4	20.6	13.5	16.9
	JULY	9.8	7.0	6.5	7.1	4.3	6.9
	AUGUST	9.2	12.7	2.5	2.6	0.8	5.6
4.	SEPTEMBER	6.4	5.2	8.2	8.6	11.3	7.9
	OCTOBER	8.8	13.5	12.0	14.7	9.2	11.6
	NOVEMBER	6.6	3.0	5.6	5.3	10.2	6.1
1.	DECEMBER	27.0	28.8	27.4	22.0	21.4	25.3
	JANUARY	7.5	4.8	6.8	5.8	4.3	5.9
	FEBRUARY	2.7	3.2	1.1	0.6	1.5	1.8
	TOTAL:	100%	100%	100%	100%	100%	100%

December is followed by May and June as the three best months. October slipped from grace.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: EDUCATIONAL, TECHNICAL, PROFESSIONAL
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
3.	MARCH	6.4	4.4	2.1	23.7	13.2	10.0
	APRIL	40.9	28.7	8.4	4.7	4.2	17.4
	MAY	3.8	4.0	3.0	2.6	3.8	3.4
	JUNE	5.6	2.8	7.1	0.5	5.0	4.2
1.	JULY	3.2	2.8	11.7	2.6	23.0	8.7
	AUGUST	6.3	4.3	5.6	6.4	3.3	5.2
	SEPTEMBER	8.9	3.7	3.5	9.2	4.4	5.9
4.	OCTOBER	3.7	3.3	6.6	16.7	6.1	7.3
	NOVEMBER	4.2	1.0	3.9	1.7	5.9	3.3
2.	DECEMBER	9.9	7.7	29.5	15.8	21.4	16.9
	JANUARY	4.3	32.4	14.9	13.1	4.0	13.7
	FEBRUARY	2.8	4.9	3.7	3.0	5.7	4.0
	TOTAL:	100%	100%	100%	100%	100%	100%

July zipped into first, closely followed by December as #2—March slid down to #3 from #1 last year.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: ENTERTAINMENT
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
	MARCH	8.4	6.8	7.9	6.3	4.9	6.9
	APRIL	5.9	4.7	5.3	7.8	2.5	5.2
	MAY	1.7	2.2	2.7	4.5	1.6	2.5
3.	JUNE	4.1	10.2	8.3	8.2	12.2	8.6
4.	JULY	12.0	9.1	14.1	11.0	9.3	11.1
	AUGUST	8.4	8.1	6.3	6.5	4.9	6.8
	SEPTEMBER	14.0	6.2	5.4	10.1	8.6	8.9
	OCTOBER	4.6	7.9	9.3	4.9	3.4	6.0
	NOVEMBER	2.7	3.9	3.2	2.3	2.1	2.8
1.	DECEMBER	14.4	19.7	16.1	16.4	29.7	19.3
2.	JANUARY	13.5	9.6	13.7	12.4	13.7	12.6
	FEBRUARY	10.3	11.6	7.7	9.6	7.1	9.3
	TOTAL:	100%	100%	100%	100%	100%	100%

December is still in first place. January is in second place and June #3.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: FUND RAISING
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
	MARCH	10.5	11.8	8.5	7.7	6.5	9.0
	APRIL	4.9	3.3	5.9	9.0	3.4	5.3
	MAY	5.1	3.6	5.0	6.1	3.9	4.7
	JUNE	2.5	5.0	2.0	2.0	2.8	2.9
	JULY	7.3	3.6	4.3	5.6	5.1	5.2
4.	AUGUST	7.9	9.4	13.3	14.1	8.5	10.6
	SEPTEMBER	13.0	10.6	7.3	5.3	6.3	8.5
2.	OCTOBER	8.8	9.5	9.3	5.9	17.1	10.1
1.	NOVEMBER	10.5	16.6	19.0	19.6	19.2	17.0
	DECEMBER	6.7	6.7	4.1	6.0	6.8	6.1
	JANUARY	5.3	6.0	5.6	7.2	7.4	6.3
3.	FEBRUARY	17.5	13.9	15.7	11.5	13.0	14.3
	TOTAL:	100%	100%	100%	100%	100%	100%

November held on to first place, and October took over #2. February was #3.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: GENERAL READING
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
	MARCH	8.4	6.0	4.9	6.6	5.0	6.2
	APRIL	1.2	3.2	3.2	5.3	7.1	4.0
	MAY	7.4	2.1	1.3	10.5	0.6	4.4
2.	JUNE	15.4	22.1	25.3	17.3	21.8	20.4
4.	JULY	13.9	15.1	5.4	7.2	9.1	10.1
	AUGUST	5.1	7.6	8.1	7.8	3.1	6.3
	SEPTEMBER	11.4	4.7	5.2	4.8	8.6	6.9
	OCTOBER	3.4	4.3	4.1	5.3	4.7	4.4
	NOVEMBER	2.8	8.3	11.3	0.4	0.7	4.7
1.	DECEMBER	22.8	18.6	18.1	23.0	25.7	21.6
3.	JANUARY	6.2	3.9	6.7	7.1	10.4	6.9
	FEBRUARY	2.0	4.1	6.4	4.7	3.2	4.1
	TOTAL:	100%	100%	100%	100%	100%	100%

December is still #1, and June still a strong second. May showed a significant downturn.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: HEALTH
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
	MARCH	6.6	4.6	8.3	3.2	3.8	5.3
	APRIL	0.2	0.8	1.4	3.0	1.8	1.4
	MAY	0.9	1.1	0.1	2.6	0.5	1.0
2.	JUNE	3.6	8.5	5.8	6.6	21.4	9.2
	JULY	5.8	10.4	28.7	20.6	4.9	14.1
4.	AUGUST	0.8	8.9	0.1	3.8	6.1	3.9
3.	SEPTEMBER	7.2	6.9	9.6	7.1	9.5	8.1
	OCTOBER	1.4	0.8	0.9	1.6	1.6	1.3
	NOVEMBER	2.3	0.5	0.3	0.4	3.5	1.4
1.	DECEMBER	58.0	51.5	39.1	42.8	38.7	46.0
	JANUARY	12.5	3.7	3.2	4.7	2.8	5.4
	FEBRUARY	0.7	2.3	2.5	3.6	5.4	2.9
	TOTAL:	100%	100%	100%	100%	100%	100%

December is still a strong #1. June replaced July as #2.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: HOBBIES—RELATED SUBJECTS
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
	MARCH	6.3	3.5	4.4	4.0	4.3	4.5
	APRIL	3.6	5.2	5.0	5.6	4.3	4.7
	MAY	3.4	3.0	3.7	2.3	4.0	3.3
2.	JUNE	16.8	17.5	22.1	18.5	25.5	20.1
	JULY	16.3	15.0	2.3	8.9	4.3	9.4
3.	AUGUST	5.6	6.8	5.7	11.5	6.6	7.2
4.	SEPTEMBER	6.2	5.0	5.5	3.7	6.6	5.4
	OCTOBER	5.0	7.8	4.0	7.3	3.3	5.5
	NOVEMBER	1.5	1.0	8.2	2.4	1.4	2.9
1.	DECEMBER	18.8	24.7	21.6	20.7	32.0	23.6
	JANUARY	7.6	4.6	7.6	10.7	5.1	7.1
	FEBRUARY	8.9	5.9	9.9	4.4	2.6	6.3
	TOTAL:	100%	100%	100%	100%	100%	100%

December and June are a convincing #1 and #2.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: HOME INTEREST
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
	MARCH	5.8	4.2	6.0	7.8	7.1	6.2
	APRIL	7.3	6.2	5.1	6.3	4.8	5.9
	MAY	1.5	2.8	3.1	2.0	3.9	2.6
2.	JUNE	10.8	18.6	13.8	15.4	18.2	15.4
	JULY	21.1	7.8	7.4	6.5	4.5	9.5
	AUGUST	6.4	8.6	10.0	6.1	4.7	7.2
3.	SEPTEMBER	5.9	4.7	10.3	12.1	11.1	8.8
4.	OCTOBER	6.2	11.3	9.9	6.8	9.6	8.7
	NOVEMBER	3.7	2.0	2.3	3.6	3.1	2.9
1.	DECEMBER	14.6	16.9	13.8	19.0	19.5	16.8
	JANUARY	10.7	12.8	13.3	9.8	7.7	10.9
	FEBRUARY	6.0	4.1	5.0	4.6	5.8	5.1
	TOTAL:	100%	100%	100%	100%	100%	100%

June is not first—but certainly a strong #2. December is first—September's still third.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: PARENTS AND CHILDREN
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
	MARCH	4.2	4.3	3.2	4.5	3.5	3.9
	APRIL	3.1	4.3	6.7	6.5	5.6	5.3
	MAY	2.4	4.3	3.9	4.8	4.2	3.9
3.	JUNE	5.5	5.9	10.5	7.9	12.1	8.4
4.	JULY	18.5	14.5	12.2	10.2	10.8	13.2
	AUGUST	13.9	10.7	7.8	6.5	5.6	8.9
1.	SEPTEMBER	5.9	11.1	13.3	11.3	16.5	11.6
	OCTOBER	7.1	3.5	7.8	16.2	6.7	8.3
	NOVEMBER	2.8	2.1	1.5	0.4	0.6	1.5
2.	DECEMBER	10.3	18.7	14.4	17.7	16.4	15.5
	JANUARY	15.0	11.1	10.2	8.5	9.9	10.9
	FEBRUARY	11.3	9.5	8.5	5.5	8.1	8.6
	TOTAL:	100%	100%	100%	100%	100%	100%

September moved to #1 by a fraction over December. June is #3.

Source: The Kleid Company, Inc., 1990

SEASONALITY STUDY
CATEGORY: SELF-IMPROVEMENT
MONTHLY % OF TOTAL MAILINGS

1990 Ranking		1985–86	1986–87	1987–88	1988–89	1989–90	5-YEAR AVERAGE
3.	MARCH	5.8	5.3	12.9	10.5	12.2	9.3
	APRIL	12.8	15.1	8.0	9.4	4.2	9.9
1.	MAY	8.4	7.4	8.0	4.3	15.6	8.8
	JUNE	5.5	7.7	11.6	7.5	9.3	8.3
	JULY	9.3	12.9	3.0	1.9	3.4	6.1
4.	AUGUST	5.0	11.8	10.9	7.1	11.1	9.2
	SEPTEMBER	11.0	13.0	10.7	16.7	9.9	12.3
	OCTOBER	8.5	4.2	6.8	5.0	8.4	6.6
	NOVEMBER	1.0	0.7	2.8	2.6	2.8	2.0
2.	DECEMBER	19.7	12.2	11.7	17.3	14.8	15.1
	JANUARY	10.5	7.6	7.8	8.4	3.4	7.5
	FEBRUARY	2.5	2.1	5.8	9.3	4.9	4.9
	TOTAL:	100%	100%	100%	100%	100%	100%

May beat out December for first place—but not by much. March is #3.

Source: The Kleid Company, Inc., 1990.

The Household Diary Study is a multi-year market research study of mail originating or destinating in households. This study now provides a continuous comprehensive description of the household portion of the mailstream. Data are collected on a Postal Year basis.

The following charts present and compare data collected during the first two years of the Household Diary Study, Postal years 1987 and 1988. These data are also compared with findings data from the 1977 Household Mailstream Study.

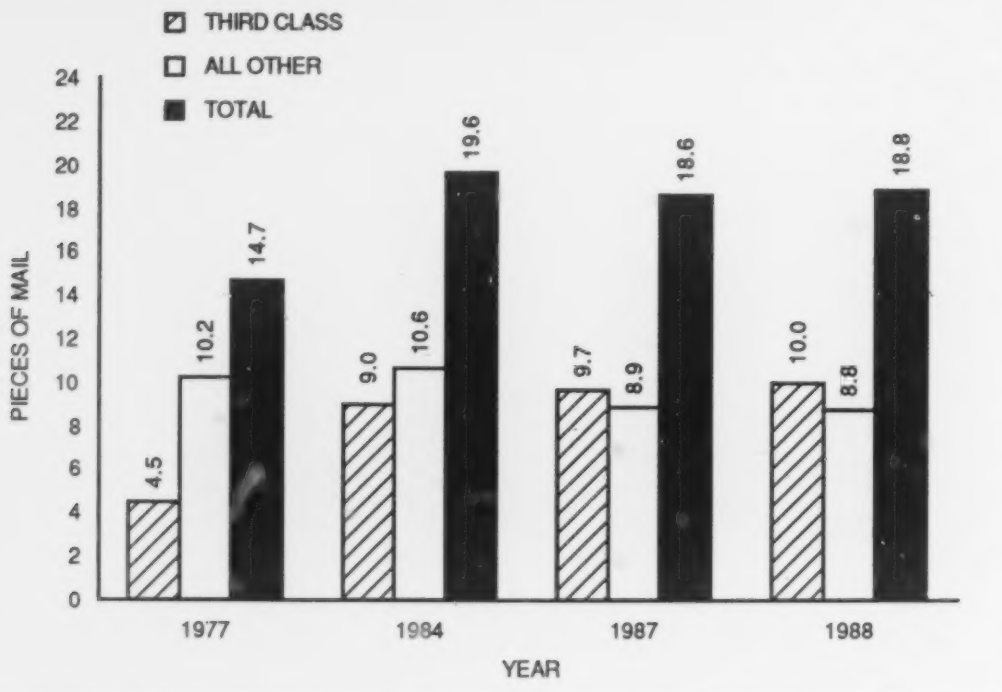
The Household Diary Study surveys over 5,300 households a year, each of which is given an entry interview and then asked to keep a week-long record of every mail piece received or sent by the household. Information collected includes mail class and subclass, identity (by sector and industry) of mail senders and recipients, content, household attitude toward mail, and household demographics.

CONSUMER READING HABITS OF THIRD-CLASS MAIL

	1972	1984	1988
Opened and Read	63%	48%	41.1%
Looked At	7%	26%	27.3%
Discarded Without Being Opened	9%	12%	15.2%
Set Aside for Reading Later	14%	10%	7.7%
Don't Know/No Response	7%	4%	8.7%
		% of Total Pieces Received	

Source: USPS Household Diary Study, 1973, 1985, & 1989.

AVERAGE NUMBER OF MAIL PIECES RECEIVED PER WEEK



Source: USPS Household Diary Study: 1978, 1985, 1988, 1989

TREATMENT OF THIRD-CLASS REGULAR MAIL PIECE BY SHAPE

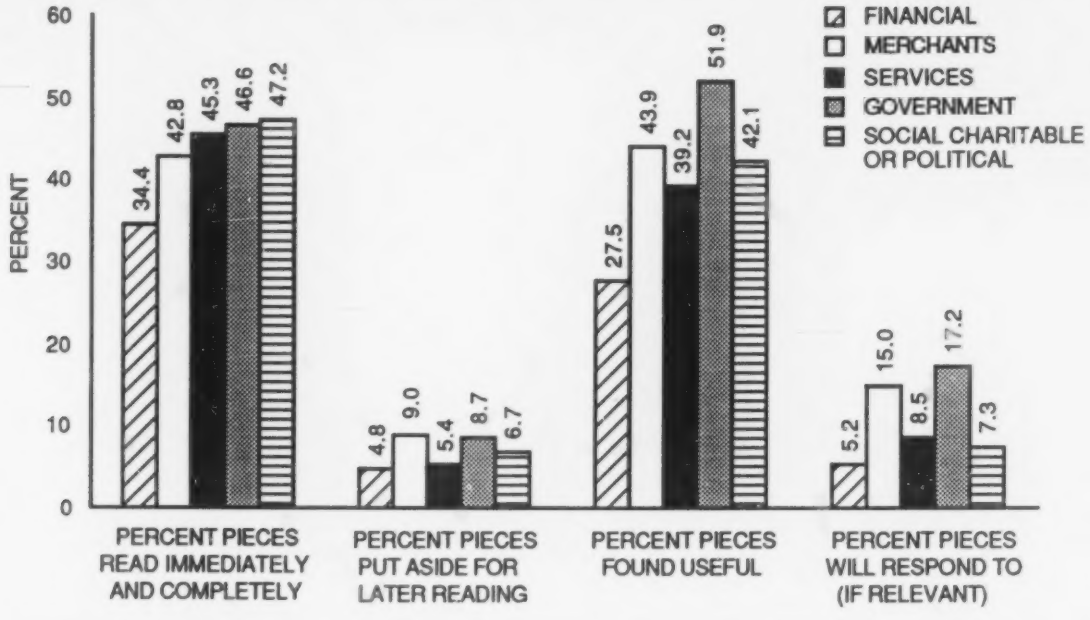
POSTAL YEAR 1988
(PERCENTAGE OF MAIL PIECES RECEIVED BY HOUSEHOLDS)

Treatment	Lettersize Envelope	Larger than Letter Envelope	Detached Label Card	Post-card	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total
Read	43.6	44.4	28.9	46.6	42.4	39.8	36.9	41.1
Looked At	26.2	27.0	32.6	24.4	27.5	28.3	16.0	27.3
Discarded	16.5	15.3	24.7	18.7	8.9	15.5	10.7	15.2
Set Aside	4.6	6.9	3.8	3.3	16.9	6.6	9.6	7.7
Don't Know/No Response	9.2	6.4	10.1	7.0	4.3	9.9	26.8	8.7
Total Mail Received By Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study, 1989

THIRD-CLASS BULK REGULAR MAIL REACTION BY SELECTED INDUSTRY

(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)



Source: USPS Household Diary Study, 1989

RESPONSE TO THIRD-CLASS BULK REGULAR MAIL PIECE BY AGE OF HEAD OF HOUSEHOLD

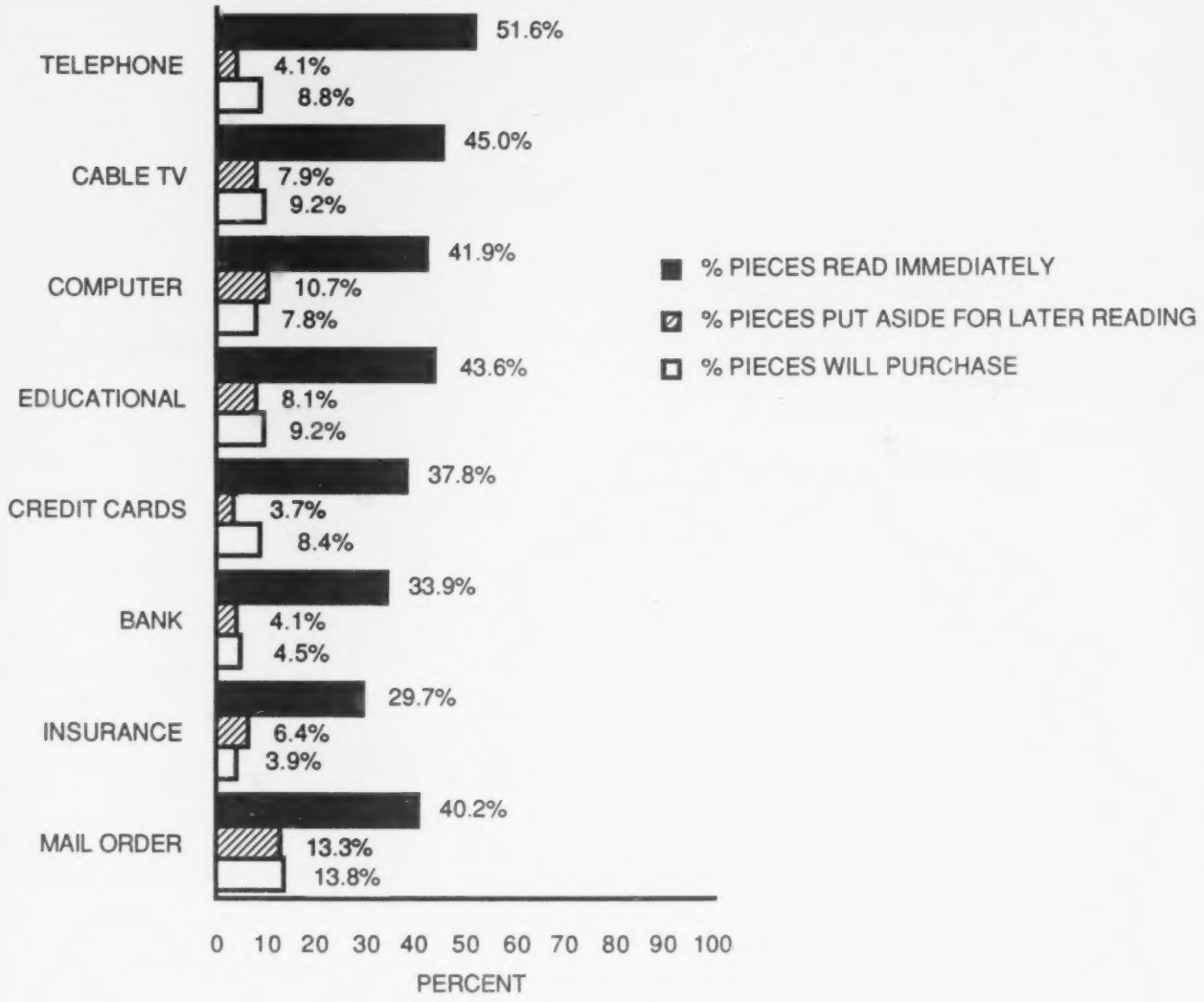
POSTAL YEAR 1988

	Read Immediately		Set Aside		Found Useful		Definitely[1] Will Respond	
Age of Head	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household
18–21	46.9	1.5	2.9	0.1	40.0	1.3	13.3	0.3
22–24	44.0	1.8	7.3	0.3	38.1	1.6	18.6	0.7
25–34	42.2	3.0	7.3	0.5	43.1	3.0	14.6	0.9
35–44	38.4	3.2	8.4	0.7	40.9	3.4	13.7	1.0
45–54	39.0	3.9	8.0	0.8	40.5	4.0	13.0	1.1
55–64	42.7	3.8	7.7	0.7	38.6	3.4	12.9	1.0
65–69	43.6	3.7	8.5	0.7	39.9	3.4	10.9	0.8
70+	43.1	3.1	6.9	0.5	37.0	2.7	9.8	0.6

1—Of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study, 1989

THIRD-CLASS REGULAR MAIL REACTION BY SELECTED INDUSTRIES
POSTAL YEAR 1988



Source: USPS Household Diary Study, 1989

THIRD-CLASS BULK REGULAR MAIL REACTION BY SELECTED INDUSTRY

POSTAL YEARS 1987 & 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Industry	Percent Pieces Read Immediately and Completely		Percent Pieces Put Aside for Later Reading		Percent Pieces Found Useful		Percent[1] Pieces Will Respond	
FINANCIAL	1987	1988	1987	1988	1987	1988	1987	1988
CREDIT CARD	39.5	37.8	6.1	3.7	29.3	28.3	8.3	8.4
BANK	38.8	33.9	4.0	4.1	31.1	25.3	8.1	4.5
SECURITIES BROKER	40.4	48.6	11.7	7.3	42.5	53.3	8.4	5.0
MONEY MARKET	45.6	49.9	5.4	3.8	53.7	39.5	1.9	0.0
INSURANCE	33.9	29.7	4.3	6.4	24.6	25.1	6.4	3.9
REAL ESTATE/MORTGAGE	29.3	26.9	3.1	1.7	21.3	13.3	2.7	2.0
TOTAL FINANCIAL	**37.2**	**34.4**	**5.3**	**4.8**	**29.5**	**27.5**	**7.3**	**5.2**
MERCHANTS								
SUPERMARKET	40.3	42.3	5.8	5.3	52.2	53.2	26.8	26.9
DEPARTMENT STORE	45.3	47.1	9.7	9.5	53.9	56.1	15.6	15.5
MAIL ORDER	42.9	40.2	12.0	13.3	41.9	38.9	15.3	13.8
OTHER STORE	40.1	41.2	8.6	7.6	43.4	45.3	14.4	11.9
PUBLISHER	43.1	40.5	7.5	6.5	35.3	35.2	17.1	15.4
LAND PROMOTION	26.3	36.0	4.1	4.1	7.7	6.4	4.1	3.8
RESTAURANT	49.9	49.6	3.4	4.6	51.9	41.8	19.5	21.2
CONSUMER PKGD GOODS	63.4	63.5	5.6	3.4	59.1	62.2	32.1	23.9
AUTO DEALER	37.3	40.7	3.2	2.9	32.6	27.3	8.7	5.6
SERVICE STATION	35.9	36.6	2.8	1.7	13.2	59.4	1.7	11.4
MALL	22.4	35.2	14.2	8.0	45.3	38.1	9.4	6.2
TOTAL MERCHANTS	**43.5**	**42.8**	**9.1**	**9.0**	**44.1**	**43.9**	**16.3**	**15.0**
SERVICES								
TELEPHONE	49.9	51.6	5.7	4.1	46.6	44.0	14.4	8.8
OTHER UTILITIES	49.9	54.3	7.2	8.6	56.4	46.7	11.6	11.2
MEDICAL	44.3	44.0	5.2	6.1	41.0	42.7	6.8	4.8
OTHER PROFESSIONAL	53.2	61.6	6.4	5.4	42.4	38.1	12.2	8.6
LEISURE SERVICE	41.6	45.4	8.1	3.9	36.9	33.9	7.8	11.4
CABLE TV	51.5	45.0	9.2	7.9	43.7	46.1	8.4	9.2
COMPUTER	40.5	41.9	7.2	10.7	39.8	54.2	12.5	7.8
TOTAL SERVICES	**44.1**	**45.3**	**6.5**	**5.4**	**38.0**	**39.2**	**9.6**	**8.5**
GOVERNMENT								
STATE & LOCAL GOVT.	**48.7**	**48.6**	**15.6**	**8.7**	**57.6**	**51.9**	**18.6**	**17.2**
SOCIAL CHARITABLE OR POLITICAL								
UNION/PROFESSIONAL	49.5	61.8	7.6	9.9	55.9	54.3	11.3	17.9
CHURCH	51.8	58.8	3.6	11.6	39.7	46.3	6.6	7.7
EDUCATIONAL	46.4	43.6	5.4	8.1	40.0	43.6	6.3	9.2
CHARITIES	53.1	35.9	0.6	12.7	29.7	29.6	8.6	4.8
POLITICAL	37.5	41.4	8.1	2.7	27.6	31.3	13.0	12.8
AARP	59.4	62.6	7.0	4.2	57.1	68.9	37.9	28.0
TOTAL SOCIAL CHARITABLE OR POLITICAL	**45.2**	**47.2**	**6.4**	**6.7**	**37.8**	**42.1**	**9.2**	**7.3**

1—Of pieces containing an advertisement or a request for funds.

Source: USPS Household Diary Study, 1988 & 1989

TREATMENT OF THIRD-CLASS REGULAR MAIL PIECE BY FAMILIARITY WITH ORGANIZATION

POSTAL YEARS 1987 & 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Treatment	Organization Known, Household Does Business With Already		Organization Known		Organization Not Known		Total	
	1987	1988	1987	1988	1987	1988	1987	1988
Read	58.4	58.2	31.2	30.2	26.2	23.9	41.5	41.1
Looked at	23.3	24.4	38.2	39.2	35.2	34.1	26.4	27.3
Discarded	7.0	7.2	23.5	23.6	31.1	34.0	14.0	15.1
Set Aside	10.2	9.4	6.3	6.2	6.4	7.0	8.1	7.7
Don't Know/No Response	1.1	0.8	0.8	0.9	1.2	1.1	10.0	8.7
Total Mail Received By Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study, 1988 & 1989

USEFULNESS OF THIRD-CLASS REGULAR MAIL PIECE BY FAMILIARITY WITH ORGANIZATION

POSTAL YEARS 1987 & 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

Usefulness	Organization Known, Household Does Business With Already		Organization Known		Organization Not Known		Total	
	1987	1988	1987	1988	1987	1988	1987	1988
Useful	62.5	62.1	25.9	23.4	14.8	15.8	40.2	40.2
Interesting	21.7	22.4	31.7	34.4	24.4	23.1	22.0	23.0
Not Interesting	10.6	10.9	32.9	32.9	46.7	46.8	21.3	21.5
Objectionable	2.2	2.4	6.7	6.0	10.7	10.7	4.6	4.6
Don't Know/No Response	3.1	2.2	2.8	3.2	3.4	3.7	12.0	10.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study, 1988 & 1989

RESPONSE TO THIRD-CLASS BULK REGULAR ADVERTISING BY SHAPE

POSTAL YEAR 1988
(IF MAIL PIECE CONTAINED ADVERTISING OR REQUEST FOR DONATION)

	Letter Size Envelope	Larger Than Letter Envelope	Detached Label Card	Postcard	Catalog Not In Envelope	Flyers	Newspapers/ Magazines	Total[1]
Yes	11.3	15.4	5.8	10.9	16.3	13.3	8.8	13.1
No	70.5	63.2	70.3	70.9	46.1	54.5	50.1	59.3
Maybe	12.9	16.5	10.5	11.2	33.1	21.2	18.0	19.9
No Answer	5.4	4.9	13.4	7.0	4.4	11.0	23.0	7.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Pieces Per Household Per Week	1.9	1.3	0.6	0.2	1.4	2.4	0.2	8.0

1—Total includes pieces for which no response was given as to shape.

Source: USPS Household Diary Study, 1989

RESPONSE TO THIRD-CLASS BULK REGULAR MAIL PIECE BY EDUCATION OF HEAD OF HOUSEHOLD

POSTAL YEAR 1988

Education of Head	Read Immediately		Set Aside		Found Useful		Definitely[1] Will Respond	
	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household	Percent	Pieces Per Household
Less than 8th Grade	42.1	2.3	7.2	0.4	37.4	2.0	11.9	0.5
Some High School	47.7	2.7	7.5	0.4	42.2	2.4	15.3	0.7
High School	44.6	3.3	6.8	0.5	39.6	2.9	13.2	0.8
Some College	43.5	3.5	7.9	0.6	42.4	3.4	13.5	0.9
Professional or Technical School	42.4	3.1	9.5	0.7	43.3	3.2	13.2	0.8
College Grad	36.1	3.6	8.8	0.9	39.5	4.0	12.2	1.0
Post-Graduate	33.2	4.1	7.8	1.0	39.0	4.8	12.6	1.3

1—Of pieces identified by respondents as containing an advertisement or request for funds.

Source: USPS Household Diary Study, 1989

RESPONSE TO THIRD-CLASS BULK REGULAR MAIL PIECE BY INCOME

POSTAL YEARS 1987 & 1988

	Read Immediately				Set Aside			
	Percent		Pieces Per Household		Percent		Pieces Per Household	
Income	1987	1988	1987	1988	1987	1988	1987	1988
Less than $7K	43.0	37.8	1.6	1.6	18.8	8.9	0.3	0.4
$7K–$9.9K	41.0	48.5	2.1	2.3	18.8	5.6	0.3	0.3
$10K–$14.9K	45.0	44.7	2.6	2.7	11.9	7.7	0.5	0.5
$15K–$19.9K	45.0	47.1	2.9	3.0	9.4	6.0	0.6	0.4
$20K–$24.9K	42.5	44.7	2.8	3.3	8.5	7.1	0.6	0.5
$25K–$29.9K	44.2	41.6	3.5	3.2	8.0	8.4	0.6	0.7
$30K–$34.9K	41.4	40.5	3.6	3.6	8.3	7.4	0.7	0.7
$35K–$49.9K	41.4	41.3	3.9	4.0	7.5	8.2	0.8	0.8
$50K–$64.9K	41.1	36.7	4.4	4.3	7.0	8.2	0.8	1.0
$65K–$79.9K	40.4	38.2	6.1	4.6	6.7	10.1	1.5	1.2
$80K–$99.9K	31.4	43.6	4.4	6.1	8.9	5.3	1.3	0.7
$100K+	34.5	33.2	5.3	4.1	6.0	6.0	1.2	0.8

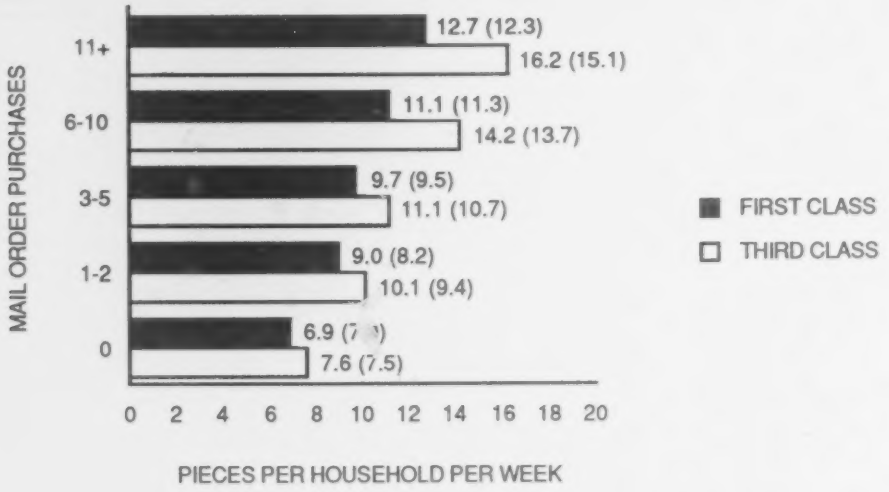
	Found Useful				Definitely[1] Will Respond			
	Percent		Pieces Per Household		Percent		Pieces Per Household	
Income	1987	1988	1987	1988	1987	1988	1987	1988
Less than $7K	36.0	36.4	1.4	1.6	17.5	11.5	0.5	0.4
$7K–$9.9K	37.1	38.7	1.9	1.8	12.6	13.9	0.5	0.5
$10K–$14.9K	39.6	37.3	2.3	2.2	17.7	12.1	0.8	0.6
$15K–$19.9K	41.9	42.4	2.7	2.7	15.3	16.4	0.8	0.9
$20K–$24.9K	42.8	42.6	2.8	3.1	15.6	16.6	0.9	1.0
$25K–$29.9K	40.4	42.7	3.2	3.3	14.8	13.8	1.0	0.9
$30K–$34.9K	40.4	39.7	3.5	3.5	14.8	14.2	1.1	1.1
$35K–$49.9K	41.9	41.3	4.0	4.0	14.8	13.8	1.1	1.2
$50K–$64.9K	42.2	41.0	4.6	4.8	14.8	11.9	1.3	1.2
$65K–$79.9K	40.5	42.2	6.1	5.1	11.1	8.8	1.4	0.9
$80K–$99.9K	34.7	42.7	4.9	4.9	10.9	15.7	1.3	1.6
$100K+	32.0	34.7	4.9	4.3	10.1	9.6	1.3	1.0

1—Of pieces identified by respondent as containing an advertisement or request for funds.

Source: USPS Household Diary Study, 1988 & 1989

RECEIPT OF FIRST- AND THIRD-CLASS MAIL BY NUMBER OF MAIL ORDER PURCHASES MADE IN THE PAST YEAR

POSTAL YEARS 1987 & 1988
(Bars represent adjoining 1988 figures. 1987 figures are in parentheses.)



Source: USPS Household Diary Study, 1988 & 1989

NUMBER OF MAIL ORDER PURCHASES WITHIN THE LAST YEAR BY INCOME

POSTAL YEAR 1988
(PERCENTAGE OF HOUSEHOLDS)

NUMBER OF PURCHASES	LESS THAN $7K	$7K–$9.9K	$10K–$14.9K	$15K–$19.9K	$20K–$24.9K	$25K–$29.9K	$30K–$34.9K	$35K–$49.9K	$50K–$64.9K	$65K+	TOTAL
0	60.3	66.6	55.4	50.9	42.8	41.9	41.8	35.3	28.5	18.0	44.9
1–2	18.0	15.5	19.1	19.2	20.6	20.7	20.5	20.4	18.7	28.8	19.8
3–5	13.3	8.6	15.9	15.9	16.7	14.7	19.9	20.8	21.3	22.8	16.8
6–10	6.5	7.2	4.4	8.6	11.2	14.3	9.4	12.5	17.1	12.9	10.2
11+	1.8	1.8	3.8	4.5	8.6	8.0	7.9	10.5	12.1	18.5	7.5
Don't Know/ No Response	0.1	0.3	1.4	0.8	0.2	0.4	0.6	0.5	2.3	0.0	0.9
Total Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean	1.6	1.7	2.0	2.5	4.0	3.8	3.5	4.2	6.6	6.4	3.5

Source: USPS Household Diary, Study, 1989

METHODS OF RESPONSE MEDIA TO THIRD-CLASS BULK REGULAR IN 1988
(FOR MAIL PIECES CONTAINING ADVERTISING OR REQUEST FOR DONATION)

* DON'T KNOW/ NO RESPONSE

Source: USPS Household Diary Study, 1989

1989 Mail Order Sales

The statistics below are published in the 1989 *Guide to Mail Order Sales*, authored by Arnold Fishman (Marketing Logistics, Inc.) The 1989 Guide is the ninth annual study of the overall mail order business with broad coverage of all major demand and supply segments*. These statistics are based on Micro and/or Macro estimates.

Micro estimates are developed for mail order sales segments on the basis of estimates of sales size of individual mail order business in the segment utilizing such resources as company reports, press reports, industry reports, list data and publishing schedule data.

Macro estimates are developed for mail order direct marketing sales segments on the basis of aggregate estimates of mail order sales in the segment, or aggregate bases from which mail order sales are extrapolated from a source for that sales segment.

*For purposes of this study, mail order sales covers orders placed by mail, phone or electronically, without the person ordering coming to the point of sale to place the order or the seller coming to the office or home of the orderer to take the order using an agent to collect the order. It does include sales where the product or service is delivered in the store as long as the order was placed by mail, phone or electronically. It excludes sales:

- Through personal selling by any means even through outside the store.
- Where the order is placed at the catalog desk or elsewhere in the store even in response to a catalog or other direct response communication received in the home or office.
- Outside the store where the buyer seeks out the vendor's agent or vending machine.
- Where the order is obtained by personal selling even though an inquiry or lead was obtained through direct marketing communication.

	Amount (in billions)
Consumer:	
Products	$54.49
Specialty	41.99
General Merchandising	12.50
Services	32.51
Nonfinancial	19.39
Financial	13.12
TOTAL	87.00
Business:	
Products and Services	50.39
Charitable Contributions	45.88
MAIL ORDER TOTAL	183.27

U.S. consumer mail order sales of products and services were $87.0 billion in 1989, $54.5 billion in products and $32.5 billion in services. This represents a significant but still modest contribution to U.S. economic activity:

- 1.6 percent of gross national product
- 3.0 percent of retail sales
- 10.0 percent of general merchandise sales
- 1.7 percent of consumer service sales

On a per capita basis, Americans spent a total of $348 each by mail order in 1989.

U.S. business mail order sales in 1989 were $50.4 billion and charitable contributions were $45.9 billion. The total U.S. mail order sales and contributions were $183.3 billion.

While U.S. consumer mail order sales may appear modest on the overall scale of Gross National Product ($5.23 trillion), retail sales ($1.7 trillion) or general merchandise sales ($534 billion), they are immense as a source of sales. Mail order accounts for more than Catalog Showrooms, Direct Selling and Vending Machines combined ($42.6 billion), more than the top 100 department stores ($50 billion), and as much as any single consumer selling channel except mass general merchandisers and supermarkets.

Source: 1989 Guide to Mail Order Sales, Marketing Logistics Inc., 1989

LEADING U.S. COMPANIES 1989 MAIL ORDER SALES

1989 Rank	Name of Company	1988 Rank	Sales Segment	Mail Order Sales (in millions)
1.	JC Penney	11	General Merchandise, Insurance	3,170.8
2.	United States Services Automobile Association	1	Insurance	2,738.5
3.	Time Warner	2	Books, Magazine Subscriptions, Cable TV	2,636.5
4.	Reader's Digest	6	Books, Collectibles, General Merchandise, Magazine Subscriptions	1,584.0
5.	Associated Communications	*	Cable TV	1,545.7
6.	Sears, Roebuck & Company	3	General Merchandise, Insurance, Auto Clubs	1,519.8
7.	GEICO	5	Insurance	1,516.6
8.	Newhouse	39	Magazine Subscriptions, Cable TV	1,195.0
9.	Otto Versand	7	General Merchandise, Sporting Goods, Apparel	1,149.9
10.	Primerica	8	Audio-Video, Food, General Merchandise, Insurance	1,124.4
11.	AT&T	9	Business Services, Consumer Electronics	1,123.2
12.	MCI	29T	Business Services	1,050.0
13.	American Automobile Association	12	Auto Clubs, Insurance	1,030.8
14.	QVC Network	80	General Merchandise, Industrial	936.5
15.	Comcast Cable	43	Cable TV	842.7
16.	FPL Group	16	Insurance	824.8
17.	Home Shopping Network	17	Apparel, Health, General Merchandise	774.0
18.	Campeau	15	Apparel, General Merchandise	749.9
19.	United Telecom	35T	Business Services	720.0
20.	UA Cablesystems	45	Cable TV	696.0
21.	Continental Cablevision	19	Cable TV	691.5
22.	U.S. Government	28	Business Services, Collectibles, Health, Educational Services	666.9
23.	American Express	14	General Merchandise Insurance, Magazines	640.1
24.	20th Century Industries	24	Insurance	596.0
25.	May Department Stores	27	General Merchandise	562.3
26.	Federal Express	23	Business Services	560.0
27.	Capital Holding	13	Insurance	553.6
28.	Lands' End	31	Sporting Goods	545.2
29.	L.L. Bean	20	Sporting Goods	527.0
30.	General Cinema	56	Apparel, General Merchandise, Gifts	520.9
31.	Limited Inc.	21	Apparel	513.7

(continued)

LEADING U.S. COMPANIES 1989 MAIL ORDER SALES (CONTINUED)

1989 Rank	Name of Company	1988 Rank	Sales Segment	Mail Order Sales (in millions)
32.T	American Protection Industries	26	Collectibles, Records	500.0
*32.T	Omega Scientific	*	Industrial	500.0
34.	R. H. Macy	34	General Merchandise, Health	498.9
35.	Digital Equipment Corporation	33	Business Supplies	460.0
*36.	Paramount Communications	*	Books, Business Services	440.0
37.	Times Mirror	40	Cable TV, Magazine Subscriptions	439.3
38.	New Process Co.	37	Apparel	431.6
39.	Cox Enterprises	42	Cable TV	420.3
40.	BATUS	53	General Merchandise	390.7
41.	Cablevision Systems Development	88	Cable TV	383.1
42.	Horn & Hardart	50T	Apparel, Gardening, General Merchandise, Gifts, Sporting Goods	377.0
43.	McGraw Hill	47	Business Services	354.2
*44.T	H. R. Block	*	General Merchandise	350.0
44.T	IBM	55	Business Supplies, General Merchandise	350.0
*44.T	Prudential Insurance	*	Insurance	350.0
47.	Bertelsmann	32	Audio-Video, Books, Magazine Subscriptions, General Merchandise	335.4
*48.	Jones Spacelink	*	Cable TV	332.5
*49.	Aegon N.V. (Netherlands)	*	Insurance	332.0
*50.	Premier Industrial	*	Industrial	327.1
51.	Montgomery Ward	50T	General Merchandise, Financial Services, Auto Clubs	318.0
*52.	Service Merchandise	54	General Merchandise	315.0
53.	News American Publishing	60	Magazine Subscriptions	295.0
54.	Bradford Exchange	52	Collectibles, General Merchandise	284.5
55.	CUNA Mutual Insurance Society	64	Insurance	277.7
*56.	New Hampton Group	*	Apparel, Toys	275.0
57.	Viacom Cablevision	48	Cable TV	272.1
58.	Quill Corp.	62	Business Supplies	270.0
59.	Cablevision Industries	49	Cable TV	269.7
*60.	Everex Computer	*	Business Supplies	266.7
*61.	Physicians Mutual Insurance	*	Insurance	265.0
62.	Meredith	68	Books, Magazine Subscriptions	259.2
63.	Dell Computer Corp.	89T	Consumer Electronics	258.0
64.	Field Corp.	57	Books, Food, Children's Toys	257.0
65.T	Publishers Clearing House	75T	Magazine Subscriptions	250.0
65.T	SONY	59	Audio-Video, General Merchandise	250.0

(continued)

LEADING U.S. COMPANIES 1989 MAIL ORDER SALES (CONTINUED)

1989 Rank	Name of Company	1988 Rank	Sales Segment	Mail Order Sales (in millions)
67.	INMAC	66	Business Supplies	249.0
68.	Standard Oil of Indiana	58	Auto Clubs, Insurance, General Merchandise	247.3
69.	Henry Schein Co.	35T	Industrial	247.0
70.	Sammons Communications	*	Cable TV	240.7
71.	Popular Services	*	Apparel	240.0
72.	Century Communications	71	Cable TV	235.8
73.	Hachette	63	Books, Business Services, Collectibles, General Merchandise, Magazine Subscriptions	230.7
74.	New England Business Service	70	Business Supplies	226.9
75.	Sara Lee	69	Apparel, Food, Home Furnishings	225.4
76.	Medco Containment Services	25	Health	220.5
77.	Washington Post	74	Magazine Subscriptions, Cable TV	216.1
78.	Adelphia Communications	78	Cable TV	212.0
*79	American Brands	*	Business Supplies	208.6
80.	Carter Hawley Hale	84	General Merchandise	203.1
81.	Deluxe Printers	73	Business Supplies, Stationary	201.3
82.	Falcon Communications	96T	Cable TV	200.2
83.T	American Association of Retired Persons	65	Health, Magazines	200.0
83.T	Comp-U-Card	75T	General Merchandise	200.0
85.	Best Products	75T	General Merchandise	189.0
86.	Commerce Clearing House	86	Business Services	187.0
87.	Continental Dynamics	96T	Business Supplies, Industrial	185.0
88.	Dreyfus Corporation	85	Financial Services	183.4
*89.	Yamanouchi	*	Food, Gardening	182.0
90.	Cooke Cablevision	81	Cable TV	181.9
91.T	Arizona Mail Order	82	Apparel, Gifts	180.0
*91.T	Jusco	*	Apparel	180.0
*93.	Belk Stores	*	General Merchandise	175.2
94.	National Geographic Society	87	Magazine Subscriptions, Business Supplies	174.3
*95.	Minnesota Mutual Life Insurance Co.	*	Insurance	171.9
96.	Mercantile Stores	91	General Merchandise	170.0
*97.	Walt Disney Company	*	Records, Books, Gifts, Children's Toys	164.7
98.	Teachers Insurance & Annuity	100	Insurance	164.5
99.	AON	72	Insurance	163.5
100.	Telecable Corp.	93	Cable TV	163.3

NOTES:
"*"denotes that company was not among the top 100 in worldwide sales in 1988.
"T"after ranking indicates a tie for that place.

Source: 1989 Guide to Mail Order Sales, Marketing Logistics, Inc., 1989

TOTAL POPULATION ORDERING BY MAIL

New Direct Mail Buying Habits

The 1989 Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,373 adults interviewed between the months of June and April. The product usage and buying behavior data was gathered through self administered questionnaires and personal interviews. The statistics below represent consumers' responses to the *specific* instruction: Please mark any items listed below that you yourself ordered by mail or phone in the last 12 months. 40 products and service categories were listed.

	1989 Total U.S. (000)	1989 Total U.S. Buyers (000)	% Any Product
Total Adults	178,193	85,207	47.8
Males	85,056	35,742	42.0
Females	93,136	49,465	53.1
18–24	25,713	10,791	42.0
25–34	43,283	20,694	47.8
35–44	34,804	18,366	52.8
45–54	23,902	12,390	51.8
55–64	21,733	10,802	49.7
65 or Older	28,756	12,163	42.3
Graduated College	32,799	18,834	57.4
Attended College	32,672	17,685	54.1
Graduated High School	70,684	33,736	47.7
Did Not Graduate High School	42,039	14,952	35.6
Professional/Manager	29,483	17,234	58.5
Tech/Clerical/Sales	36,012	19,167	53.2
Precision/Craft	14,266	6,368	44.6
Other Employed	30,939	13,222	42.7
Single	38,354	15,757	41.1
Married	107,815	55,245	51.2
Divorced/Separated/Widowed	32,024	14,205	44.4
Parents	59,509	30,573	51.4
Northeast—Census	37,709	15,972	42.4
Midwest	43,858	24,496	55.9
South	61,120	28,810	47.1
West	35,505	15,928	44.9
Household Income			
$60,000 or More	19,957	11,276	56.5
$50,000 or More	31,697	17,907	56.5
$40,000 or More	53,998	30,375	56.3
$30,000 or More	83,793	46,284	55.2
$30,000–$39,999	29,795	15,909	53.4
$20,000–$29,999	34,040	16,300	47.9
$10,000–$19,999	38,419	15,138	39.4
Under $10,000	21,942	7,485	34.1
Household Size			
1 Person	22,006	8,757	39.8
2 People	57,453	28,131	49.0
3 or 4 People	71,838	35,810	49.8
5 or More People	26,896	12,509	46.5
Children			
No Child in Household	106,426	49,320	46.3
Children Under 2 Years	14,122	6,841	48.4
2–5 Years	26,410	13,332	50.5
6–11 Years	33,185	16,181	48.8
12–17 Years	33,008	16,718	50.6
Residence Owned	122,907	63,871	52.0
Value: $70,000 or More	60,160	32,689	54.3
Less than $70,000	62,747	31,182	49.7

Source: Simmons Market Research Bureau: 1988, 1989 Study of Media and Markets

SHELL ALPERT'S DIRECT MAIL
BALLPARK-BUDGET COSTIMATOR™

The sole purpose of the Costimator Tables shown here is to aid direct marketers in the initial stages of planning cost-effective direct mail campaigns. Because of production-cost variables (labor, materials, overhead, workload, markup, etc.), Costimator prices may be as much as 20% higher or lower than actual supplier quotations. Usually, however, mailers who seek competitive bids from different vendors— and who allow enough turnaround time for economical production—will be able to meet (or likely beat) these Costimator prices.

In some cases, dramatic cost reductions can be achieved by purchasing odd-lot, remnant, or surplus paper stocks (paper often accounts for 40% to 60% of printing costs)—or by scheduling out-of-season production runs (hungry suppliers may be more interested in recovering overhead expense than making a profit). Mail marketers are well-advised to obtain quotes not only from vendors, but also from printing brokers and production-oriented agencies. (They frequently know where the real "bargains" are hiding and waiting to be exploited.)

Costimator prices do *not* include creative costs (copy, design, layout, etc.), the expense of preparing camera-ready mechanical art (color separations, printing negatives, etc.). Likewise, expenditures for original illustrations and photography must also be added.

Source: Shell Alpert,
Alpert O'Neil Tigre & Co., 1990

LITHO LETTERS (NOT PERSONALIZED)
COST PER THOUSAND

FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	COST PER THOUSAND			
					10M	50M	100M	300M
8-½" × 11"	Letter*	1/1	60# Offset	1/1	$34.15	$15.85	$12.48	$ 8.54
8-½" × 11"	Letter*	1/1	24# Rag Bond	1/1	41.10	19.26	15.06	10.27
8-½" × 11"	Letter*	1/1	60# Offset	2/1	42.85	15.20	11.92	8.54
8-½" × 11"	Letter*	1/1	24# Rag Bond	2/1	52.83	18.08	14.33	10.27
8-½" × 11"	Letter*	1/2	60# Offset	1/2	40.53	17.47	13.97	10.20
8-½" × 11"	Letter*	1/2	24# Rag Bond	1/2	48.39	20.96	16.71	12.61
8-½" × 11"	Letter*	1/2	60# Offset	2/2	67.46	18.68	14.70	10.20
8-½" × 11"	Letter*	1/2	24# Rag Bond	2/2	81.18	22.34	17.73	12.61
8-½" × 11"**	Letter*	2/4	60# Offset	1/2	65.66	27.14	23.27	18.94
8-½" × 11"**	Letter*	2/4	24# Rag Bond	1/2	79.35	32.56	33.31	22.76
8-½" × 11"**	Letter*	2/4	60# Offset	2/2	84.87	27.59	23.79	18.94
8-½" × 11"**	Letter*	2/4	24# Rag Bond	2/2	99.67	33.12	28.47	22.76

*Folded twice to fit #10 envelope.
**11" × 17" folded once to 8-½" × 11"

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

COMPUTERIZED LETTERS (PERSONALIZED)
COST PER THOUSAND

MEGATYPING[a] FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	COST PER THOUSAND 50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$146.71	$100.92
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	150.02	103.26
8-½" × 11"*	Letter	1/1	60# Offset	2/1	148.86	102.89
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	152.21	104.55
8-½" × 11"*	Letter	2/2	60# Offset	1/1 ea.	202.09	197.87
8-½" × 11"*	Letter	2/2	24# Rag Bond	1/1 ea.	207.17	201.47
8-½" × 11"*	Letter	2/2	60# Offset	2/1 ea.	205.10	199.86
8-½" × 11"*	Letter	2/2	24# Rag Bond	2/1 ea.	209.18	203.00

XEROX 9700[b] FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	COST PER THOUSAND 50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$ 56.47	$ 47.92
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	59.69	50.30
8-½" × 11"*	Letter	1/1	60# Offset	2/1	57.71	49.57
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	61.31	51.76
8-½" × 11"*	Letter	1/2	60# Offset	1/2 ea.	96.45	89.05
8-½" × 11"*	Letter	1/2	24# Rag Bond	1/2 ea.	99.25	91.27
8-½" × 11"*	Letter	1/2	60# Offset	2/2 ea.	100.38	89.75
8-½" × 11"*	Letter	1/2	24# Rag Bond	2/2 ea	103.40	92.59

IBM LASER[c] FINISHED SIZE	ITEM	LEAVES/PAGES	STOCK	COLORS/SIDES	COST PER THOUSAND 50M	100M
8-½" × 11"*	Letter	1/1	60# Offset	1/1	$ 47.84	$ 40.01
8-½" × 11"*	Letter	1/1	24# Rag Bond	1/1	57.95	49.20
8-½" × 11"*	Letter	1/1	60# Offset	2/1	51.03	41.97
8-½" × 11"*	Letter	1/1	24# Rag Bond	2/1	62.35	51.07
8-½" × 11"*	Letter	1/2	60# Offset	1/2	54.19	43.72
8-½" × 11"*	Letter	1/2	24# Rag Bond	1/2	65.30	53.15
8-½" × 11"*	Letter	1/2	60# Offset	2/2	60.03	47.02
8-½" × 11"*	Letter	1/2	24# Rag Bond	2/2	74.01	57.44

*Folded to fit #10 envelope.

(a) Produced by computer driven typewriters, indistinguishable from hand-typing, superb quality.
(b) Sheetfed laser process, very clean and sharp, close to word-processing quality (but may "crack" on foldlines).
(c) Better than old-style impact processes, but still has computerized look; tractor fed, requires continuous forms.

Prices for all computerized letters include litho-printed letterheads and signatures in 1 or 2 colors. Possible charges for data conversion, reformatting tapes, special programming, embedded variables, etc., are not included.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

CARRIER ENVELOPES
STOCK 24# WHITE WOVE
COST PER THOUSAND

NO.	SIZE	STYLE	COLOR	WINDOW	COST PER THOUSAND 10M	50M	100M
6-¼	3-9/16" × 6"	Diagonal Seam	1	cello	$31.10	$15.97	$13.35
6-¼	3-9/16" × 6"	Diagonal Seam	1	open	29.90	14.81	12.26
6-¼	3-9/16" × 6"	Diagonal Seam	2	cello	33.44	16.47	13.76
6-¼	3-9/16" × 6"	Diagonal Seam	2	open	32.37	15.32	12.72
9	3-⅞" × 8-⅞"	Diagonal Seam	1	cello	31.70	16.91	14.84
9	3-⅞" × 8-⅞"	Diagonal Seam	1	open	30.41	15.81	13.66
9	3-⅞" × 8-⅞"	Diagonal Seam	2	cello	33.95	17.38	15.20
9	3-⅞" × 8-⅞"	Diagonal Seam	2	open	32.72	16.17	14.05
10	4-⅛" × 9-½"	Diagonal Seam	1	cello	34.45	17.41	15.34
10	4-⅛" × 9-½"	Diagonal Seam	1	open	33.40	16.14	14.28
10	4-⅛" × 9-½"	Diagonal Seam	2	cello	37.05	17.88	15.75
10	4-⅛" × 9-½"	Diagonal Seam	2	open	35.68	16.59	14.56
—	6" × 9"	Booklet, open side	1	cello	74.00	49.71	47.10
—	6" × 9"	Booklet, open side	1	open	72.63	48.44	45.85
—	6" × 9"	Booklet, open side	2	cello	76.60	50.38	47.65
—	6" × 9"	Booklet, open side	2	open	75.28	49.12	46.25

Note: For closed-face (no window) envelope, deduct $1.25/M from open-window price.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

REPLY ENVELOPES
STYLE = DIAGONAL SEAM
STOCK = 24# WHITE WOVE
COST PER THOUSAND

NO.	SIZE	ITEM	COLOR	COST PER THOUSAND 10M	50M	100M
6-¼	3-9/16" × 6"	BRE	1	$30.02	$14.96	$12.16
6-¼	3-9/16" × 6"	BRE	2	32.47	15.26	12.56
7-¾	3-⅞" × 7-½"	BRE	1	30.69	15.12	12.43
7-¾	3-⅞" × 7-½"	BRE	2	33.02	15.58	12.79
10	4-⅛" × 9-½"	BRE	1	33.47	16.26	14.22
10	4-⅛" × 9-½"	BRE	2	35.97	16.74	14.63

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

REPLY CARDS/ORDER FORMS
COST PER THOUSAND

FINISHED SIZE	ITEM	STOCK	COLORS/SIDES	COST PER THOUSAND 10M	50M	100M
5-½" × 3-½"	BRC	7 pt. Hi-Bulk	1/2	$25.75	$11.15	$ 9.25
5-½" × 3-½"	BRC	7 pt. Hi-Bulk	2/2	39.40	14.75	12.05
8-½" × 5-½"	BRC	7 pt. Hi-Bulk	1/2	40.55	19.10	15.70
8-½" × 5-½"	BRC	7 pt. Hi-Bulk	2/2	68.40	24.25	20.65
5-½" × 3-½"	Order Form	60# Offset	1/2	23.95	10.30	8.35
5-½" × 3-½"	Order Form	60# Offset	2/2	37.30	13.70	11.10
8-½" × 5-½"	Order Form	60# Offset	1/2	38.40	17.75	14.35
8-½" × 5-½"	Order Form	60# Offset	2/2	64.50	22.60	18.80

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

SELF-MAILING FORMATS
COST PER THOUSAND

FINISHED SIZE	ITEM	LEAVES/PANELS	STOCK	COLORS/SIDES	COST PER THOUSAND 10M	50M	100M
3-⅛" × 6"	Double Card	2/4	65# Cover	1/2	$54.88	$20.71	$16.95
3-⅛" × 6"	Double Card	2/4	65# Cover	2/2	69.55	22.77	18.07
3-⅔" × 8-½"*	Self-Mailer	3/6	65# Cover	1/2	52.32	28.26	21.76
3-⅔" × 8-½"*	Self-Mailer	3/6	65# Cover	2/2	104.73	30.13	23.11
5-½" × 8-½"**	Self-Mailer	2/4	65# Cover	1/2	62.32	28.26	21.76
5-½" × 8-½"**	Self-Mailer	2/4	65# Cover	2/2	104.73	30.13	23.11
8-½" × 11"***	Self-Mailer	2/4	65# Cover	1/2	94.10	39.70	36.72
8-½" × 11"***	Self-Mailer	2/4	65# Cover	2/2	128.06	45.39	38.00
8-½" × 11"***	Self-Mailer	2/4	65# Cover	4/2	192.60	59.32	48.62

* 8-½" × 11" folded twice.
** 8-½" × 11" folded once.
*** 11" × 17" folded once.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

BROCHURES, FOLDERS, ETC.
COST PER THOUSAND

FINISHED SIZE	ITEM	LEAVES/PANELS	STOCK	COLORS/SIDES	COST PER THOUSAND 10M	50M	100M	300M
3-½" × 6"	Folder	2/4	60# Coated	1/2	$38.00	$27.50	$22.30	---
3-½" × 6"	Folder	2/4	60# Coated	2/2	66.75	34.50	26.05	---
5-½" × 8-½"	Brochure	2/4	60# Offset	1/2	40.10	18.93	14.90	---
5-½" × 8-½"	Brochure	2/4	60# Offset	2/2	68.35	19.87	15.65	---
5-½" × 8-½"	Brochure	2/4	60# Offset	4/2	99.40	34.40	22.15	---
8-½" × 11"	Brochure	2/4	60# Offset	1/2	65.85	27.85	24.25	20.72
8-½" × 11"	Brochure	2/4	60# Offset	2/2	83.15	28.30	24.95	21.05
8-½" × 11"	Brochure	2/4	60# Offset	4/2	101.50	37.40	31.25	24.25
8-½" × 11"		*/8	60# Coated	2/2	154.50	86.50	72.00	57.47
8-½" × 11"	Broadside	*/8	60# Coated	4/2	223.20	105.40	80.10	60.10
8-½" × 11"	Broadside	*/8	80# Coated	2/2	171.70	98.00	79.95	64.45
8-½" × 11"	Broadside	*/8	80# Coated	4/2	240.25	118.20	89.35	66.80

* 22" × 17" folded twice to form eight 8-½" × 11" panels; same as 8-page booklet, but not trimmed & stitched.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

BIND-IN REPLY FORMATS
(2 PAGES & ENVELOPE)
COST PER THOUSAND

FLAT SIZE	FINISHED SIZE	ITEM	STOCK	COST PER THOUSAND 10M	50M	100M
8-½" × 13"	8-½" × 6-½"	Bind-In Env./Ord. Form	50# Offset	$50.16	$18.98	$13.46
8-½" × 17"	8-½" × 8-½"	Bind-In Env./Ord. Form	50# Offset	51.09	34.22	23.37

NOTE: Press-finished bind-ins (such as above) are available in numerous sizes and styles, with one or two made-up envelopes and two-page or multi-page order forms and promo panels; can be printed and bound, in line, with booklets or catalogs on web presses, or stitched-in during separate bindery operation.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

LETTERSHOP OPERATIONS
COST PER THOUSAND

INSERTED IN #10 ENVELOPES*	COST PER THOUSAND	
	20-25M	MORE THAN 25M
ONE ITEM	$26.00	$22.00
TWO ITEMS	26.00	22.00
THREE ITEMS	30.00	22.00
FOUR ITEMS	30.00	24.50
FIVE ITEMS	30.00	24.50
SIX ITEMS	30.00	24.50
INSERTED IN 6" × 9" ENVELOPES*		
ONE ITEM	$28.00	$25.50
TWO ITEMS	28.00	25.50
THREE ITEMS	28.00	25.50
FOUR ITEMS	36.00	29.00
FIVE ITEMS	36.00	29.00
SIX ITEMS	36.00	29.00
POSTAL METERING @ $2/M.		
MACHINE STAMP AFFIXING @ $5/M.		

*Includes insertion of prefolded elements, labeling, sealing, tieing, bagging and mailing via regular third-class bulk rate. (Assuming 4-up Cheshire labels supplied in Zip Code sequence.)

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

MISCELLANEOUS DIRECT MAIL ITEMS
COST RANGES

DIRECT MAIL ITEMS	COST RANGE
KEYPUNCHING NAMES/ADDRESSES (FROM HARD COPY) TO PRODUCE COMPUTER MAILING LIST	$115/M—$150/M
ABOVE WITH VERIFICATION	$195/M—$280/M
TYPE-AND-SCAN NAMES/ADDRESSES TO PRODUCE COMPUTER MAILING LIST	$ 40/M—$ 75/M
PRINT AND AFFIX PEEL-OFF CARDS, THIN GAUGE	$ 55/M—$ 95/M
EMBOSS TYPE OR LOGO, BLIND	$ 9/M—$ 20/M
EMBOSS TYPE OR LOGO, FOIL	$ 14/M—$ 30/M
EMBOSSING DIES, SMALL	$200—$450 ea.
SPECIAL ENVELOPE WINDOW DIES	$225—$475 ea.
SPECIAL "LINED" CHESHIRE LABELS	$ 5/M—$ 7/M
PIGGYBACK (PEEL-OFF LABELS)	$ 6/M—$ 8/M
SERIAL NUMBERING	$ .70/M—$.95/M

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

DIRECT MAIL
SAMPLE WORKING BUDGET

Great North American Widget Corporation
Consumer Solo-Mailing Campaign
Two-for-One Widget Offer
(Approx. Net Quantity, 100,000 [100M]; Scheduled Drop Date, 7/30/88)
WORKING BUDGET
Prepared by Frank N. Stine, Mar. 15, 1988

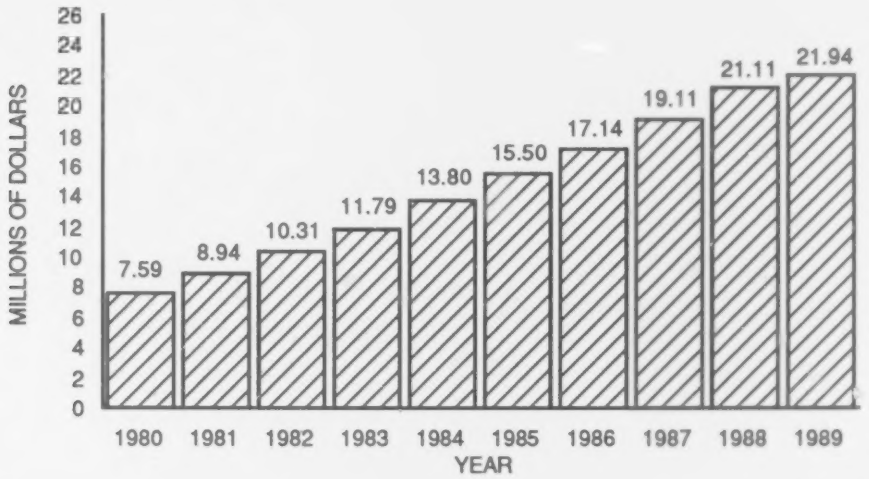
A. CREATIVE			
1. Preliminary roughs and dummies		$ 200.00	
2. Copy, including revises		2,750.00	
3. Tight comp. layouts		750.00	
4. Contingency reserve		355.00	
	TOTAL	$ 4,055.00	(5.6%)
B. ART & PREPARATION			
1. Mechanical art & preparation		$ 1,000.00	
2. Typography, including AAs		1,250.00	
3. Repros, pos, prints, reading copies, etc.		175.00	
4. Line illustrations (7)		280.00	
5. Photography		900.00	
6. Model fees		350.00	
7. Color separations (2)		900.00	
8. Colorkey proofs		250.00	
9. Stripped-in print films		380.00	
10. Contingency reserve		1,000.00	
	TOTA	$ 6,485.00	(9.0%)
C. PRINTING PRODUCTION			
1. 4-pg. litho let., 8-½ × 11", 2 colors* (105M @ $23.79/M)		$ 2,497.95	
2. 16-pg booklet, 5-½" × 8-½", 4 colors* (105M @ $90.50/M)		9,502.50	
3. Reply card, 3-½" × 5-½", 2 colors (105M @ $12.05/M)		1,265.25	
4. BRE, #7-¾, one color (105M @ $12.27/M)		1,288.35	
5. Outer env., 6" × 9", 2 color, cello wind. (105M @ $46.75/M)		4,908.75	
6. Contingency reserve		2,000.00	
	TOTAL	$21,462.80	(30.0%)
D. MAILING LISTS			
1. Mail order respondents (tape) 70M* @ $85/M		$ 5,950.00	
2. Active magazine subs (tape) 45M* @ $55/M		2,475.00	
3. Contingency reserve		1,000.00	
	TOTAL	$ 9,425.00	(13.0%)
E. COMPUTER PROCESSING			
1. Reformating, data conversion, etc.		$ 350.00	
2. Merge/Purge (115M @ $9.25/M)		1,063.75	
3. Code and run 4-up labels (100M @ $3.50/M)		350.00	
4. Reports & directory printout		175.00	
5. Contingency reserve		400.00	
	TOTAL	$ 2,338.75	(3.2%)
F. LETTERSHOP PRODUCTION			
1. Insert, label, sort, mail, etc. (100M @ $28.25)		$ 2,825.00	
2. Affix bulk-rate stamps (100M @ $5/M)		500.00	
3. Audit & pull samples (100M @ $1.75/M)		175.00	
4. Contingency reserve		250.00	
	TOTAL	$ 3,750.00	(5.2%)
G. ALLOCATED FEES			
1. Ad Agency		$ 6,000.00	
2. Consultant		1,500.00	
3. Contingency reserve		1,000.00	
	TOTAL	$ 8,500.00	(11.7%)
H. POSTAGE			
1. 100M @ $167/M		$16,700.00	(23.0%)
	BUDGETED GRAND TOTAL	$72,716.55	(100%)

*Folded NOTE: Freight charges included
Budgeted Total without Cont. Reserves = $66,711.55.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

ADVERTISING EXPENDITURES ON DIRECT MAIL
1980–1989

Advertising expenditures on direct mail increased 3.9% from 1988 to 1989.



Source: Robert J. Coen, McCann-Erickson, Inc., 1990

The Household Diary Study is a multi-year market research study of mail originating or destinating in households. This study now provides a continuous comprehensive description of the household portion of the mailstream. Data are collected on a Postal Year basis.

The following charts presents and compares data collected during the first two years of the Household Diary Study, Postal years 1987 and 1988. These data are also compared with findings data from the 1977 Household Mailstream Study.

The Household Diary Study surveys over 5,300 households a year, each of which is given an entry interview and then asked to keep a week-long record of every mail piece received or sent by the household. Information collected includes mail class and subclass, identity (by sector and industry) of mail senders and recipients, content, household attitude towards mail, and household demographics.

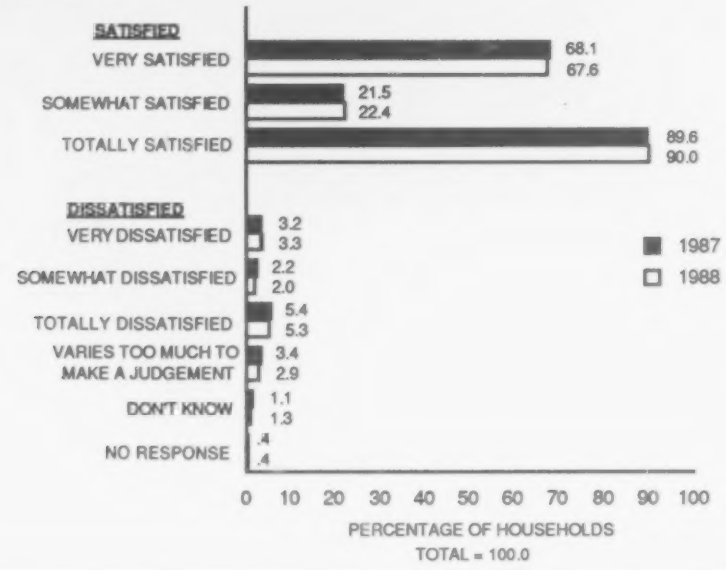
THIRD-CLASS BULK REGULAR MAIL ZIP CODE USAGE BY SHAPE
POSTAL YEAR 1988
(PERCENTAGE OF MAIL RECEIVED BY HOUSEHOLDS)

ZIP Code Mailing Address	Letter Size Envelope	Larger than Letter Envelope	Detached Label Card	Postcard	Catalog Not in Envelope	Flyers	Newspapers/ Magazines	Total
5 Digits	93.8	95.1	99.3	89.9	94.0	88.3	82.5	92.4
Zip + 4	4.0	3.4	0.1	4.0	4.4	3.2	3.1	3.4
Zip Not Included	0.2	0.3	0.5	5.2	1.4	7.9	11.7	3.1
Don't Know/No Response	1.9	1.2	0.1	0.9	0.3	0.5	2.7	1.1
Total Mail Received By Households	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: USPS Household Diary Study, 1989

SATISFACTION WITH MERCHANDISE RECEIVED THROUGH THE MAIL

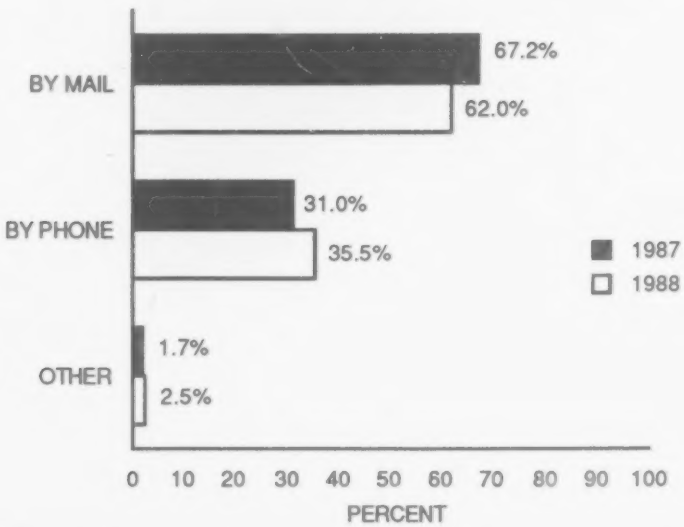
(ANSWERED ONLY IF ORDERED IN PAST YEAR)
POSTAL YEARS 1987 & 1988



Source: USPS Household Diary Study, 1988 & 1989

MEDIA CHOICE FOR RESPONDING TO MAIL ORDER OFFERS

POSTAL YEARS 1987 & 1988
(PERCENTAGE OF ORDERS)



Source: USPS Household Diary Study, 1988 & 1989

THIRD-CLASS BULK REGULAR MAIL RECEIVED BY HOUSEHOLD BY SHAPE
POSTAL YEARS 1987 & 1988

Shape	Percentage of Household Mail		Pieces Per Household Per Week	
	1987	1988	1987	1988
ENVELOPE				
LETTER SIZE	17.3	17.9	1.8	1.9
LARGER THAN LETTER SIZE	12.0	12.0	1.3	1.3
TOTAL ENVELOPE	29.3	29.9	3.1	3.2
DETACHED LABEL CARD	5.8	6.0	0.6	0.6
POSTCARD	1.8	1.7	0.2	0.2
CATALOG NOT IN ENVELOPE	14.2	13.6	1.5	1.4
FLYERS/CIRCULARS	20.1	22.1	2.1	2.4
MAGAZINES/NEWSLETTERS	1.7	1.5	0.2	0.2
OTHER/DON'T KNOW/NO RESPONSE	1.0	0.4	0.1	0.0
TOTAL PIECES RECEIVED BY HOUSEHOLDS	73.8	75.3	7.8	8.0

Source: USPS Household Diary Study, 1988 & 1989

THIRD-CLASS BULK MAIL RECEIVED
CALENDAR YEAR 1987 AND POSTAL YEAR 1988

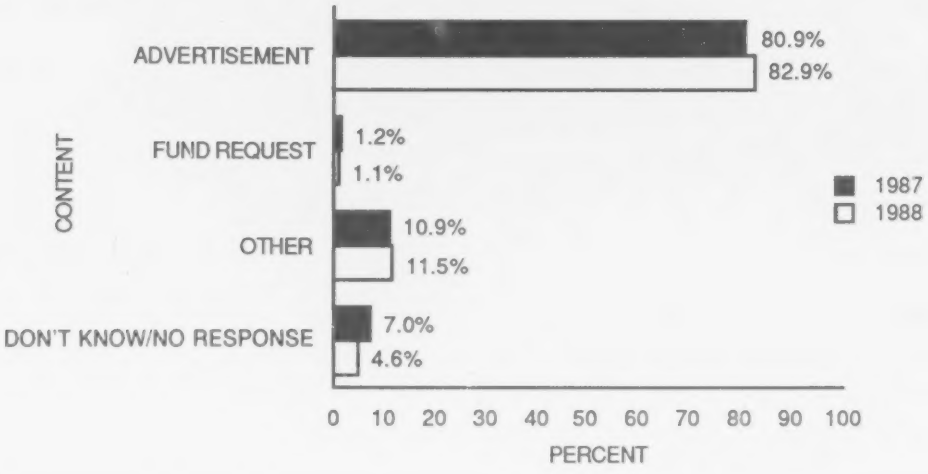
	Percentage of Total Rate Category		Pieces Per Household Per Week	
	1987	1988	1987	1988
Regular				
Non-Carrier Route Presort (non-package)	81.8	84.9	3.88	3.99
Carrier Route Presort (non-package)	67.1	67.7	3.90	4.04
Packages	0.5*	0.5	0.07	0.06
Total Regular	74.3	75.8	7.85	8.08
Non-Profit				
Non-Carrier Route Presort	82.4	85.8	1.55	1.63
Carrier Route Presort	69.3	71.5	0.35	0.33
Total Non-Profit	79.6	82.9	1.90	1.96
Total Third-Class Bulk Mail Received By Households	75.3	77.1	9.76	10.04

*Percentage of Total Third-Class Bulk Regular.

Source: USPS Household Diary Study, 1988 & 1989

THIRD-CLASS BULK REGULAR CONTENT OF MAILPIECE

(PERCENTAGE OF BULK REGULAR MAIL RECEIVED BY HOUSEHOLDS)
POSTAL YEARS 1987 & 1988



Source: USPS Household Diary Study, 1988 & 1989

THIRD-CLASS BULK REGULAR MAIL/ADDRESSEE BY PRESORT CATEGORY

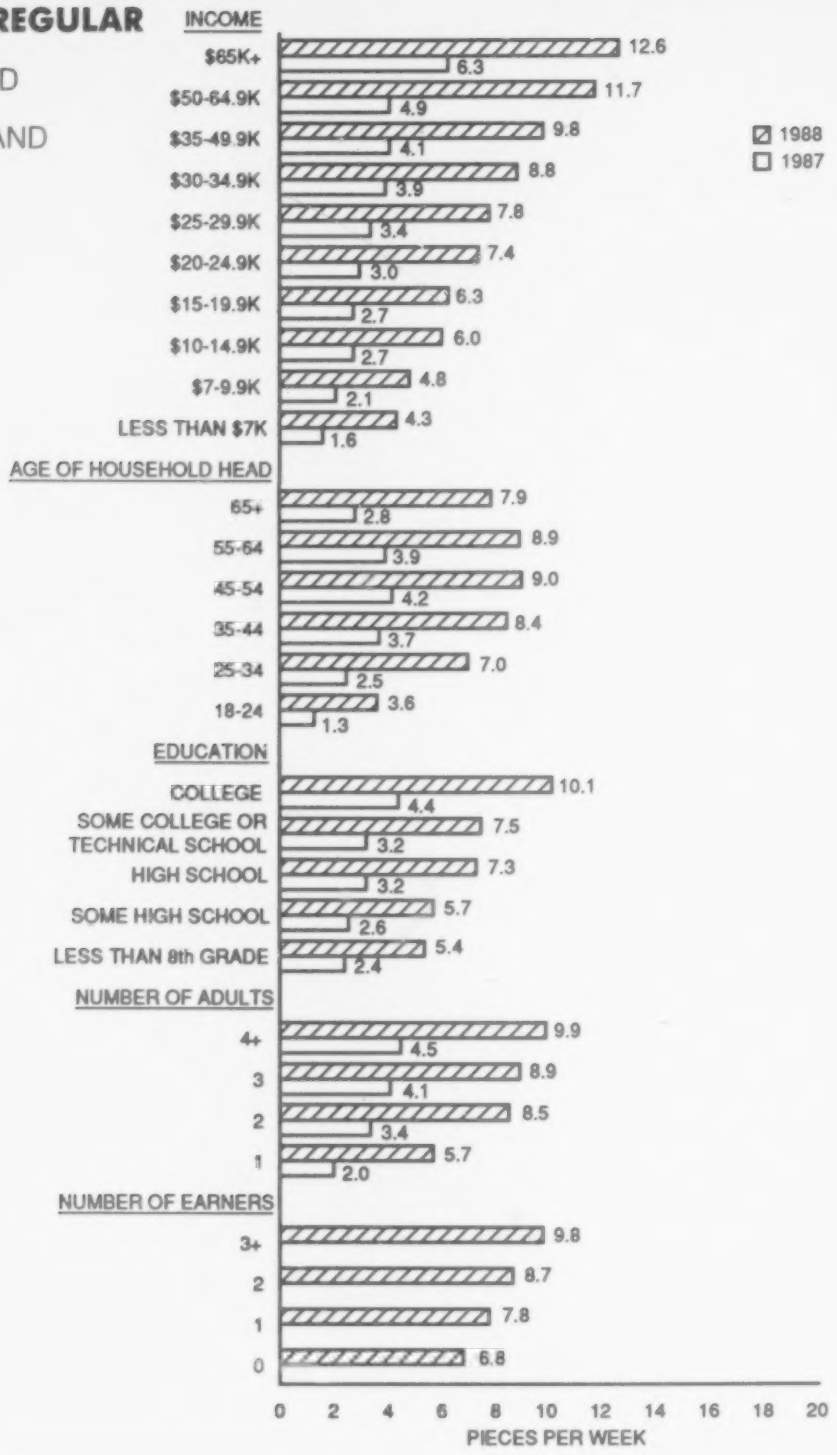
POSTAL YEARS 1987 & 1988
(CARRIER VS. NON-CARRIER ROUTE)

	Percent of Household Mail			
	Non-Carrier Route		Carrier Route	
Addressee	1987	1988	1987	1988
ADDRESSED TO SPECIFIC PERSON	74.4	76.5	30.2	30.9
ADDRESSED TO OCCUPANT	5.7	6.9	36.4	36.6
DON'T KNOW/NO RESPONSE	1.6	1.4	0.5	0.3
TOTAL MAIL RECEIVED BY HOUSEHOLDS	81.8	84.8	67.1	67.7

Source: USPS Household Diary Study, 1988 & 1989

THIRD-CLASS BULK REGULAR DEMOGRAPHICS

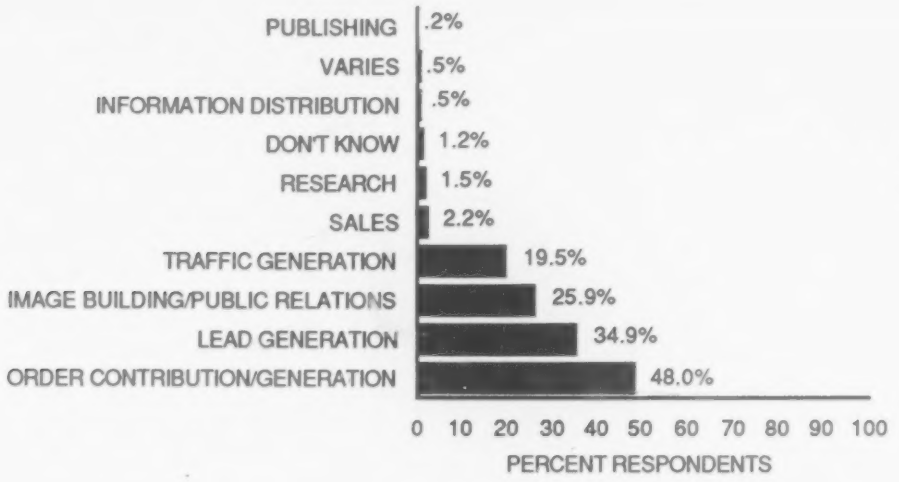
PIECES PER HOUSEHOLD PER WEEK
CALENDAR YEAR 1977 AND POSTAL YEAR 1988



Source: USPS Household Diary Study, 1988 & 1989

PRIMARY OBJECTIVES FOR DIRECT MAIL

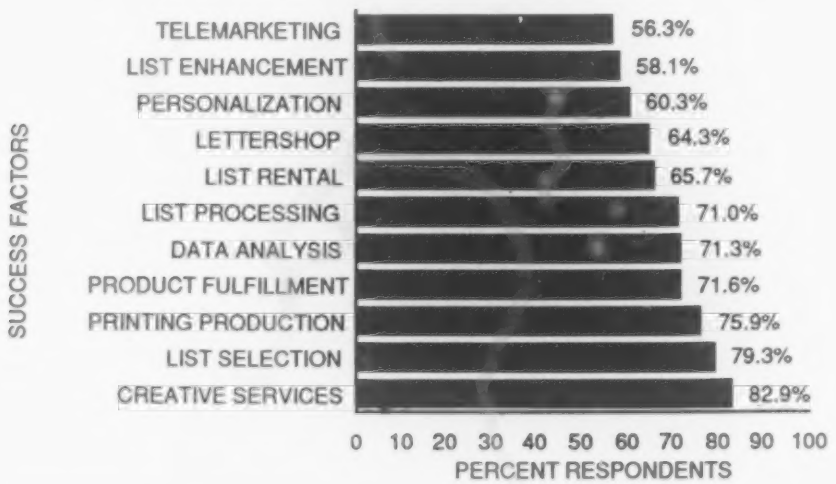
The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

CRITICAL SUCCESS FACTORS PERCEIVED BY DIRECT MAILERS

The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



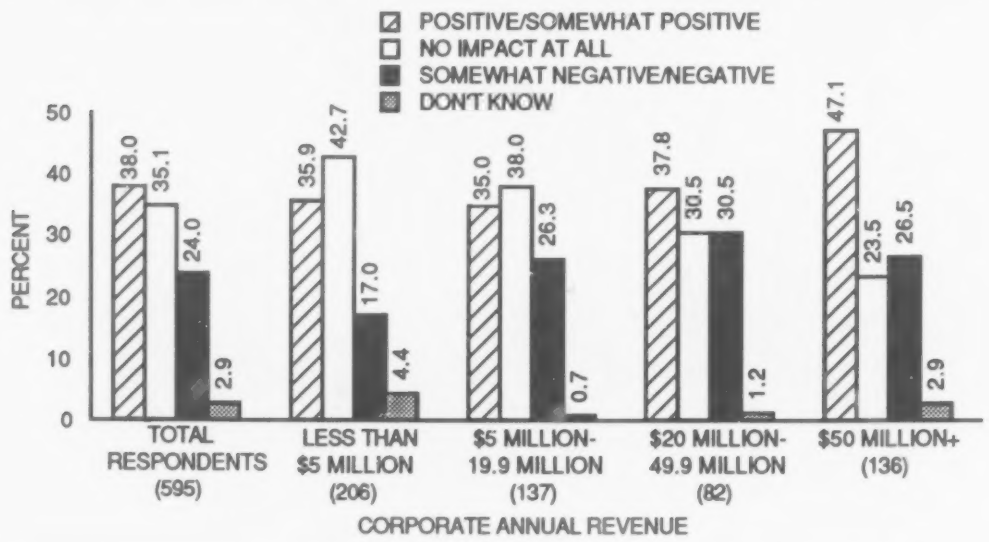
Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

In March, 1990, the Direct Marketing Association formed an industry Task Force on Environmental Issues in order to identify ways in which direct marketers can support environmentally-sound practices. The following charts are taken from a study that was designed to determine DMA voting members' awareness of environmental questions as they relate to their business. In May, 1990, a questionnaire was sent to 2,881 DMA voting members. A 20.6% response rate was achieved.

PERCEIVED IMPACT OF DIRECT MARKETING ON ENVIRONMENTAL ISSUES

DMA members were asked to indicate the overall impact they believe their organization has on environmental problems. Respondents are about equally divided in the belief that their organization has a positive/somewhat positive impact or that it has no impact at all on environmental problems.

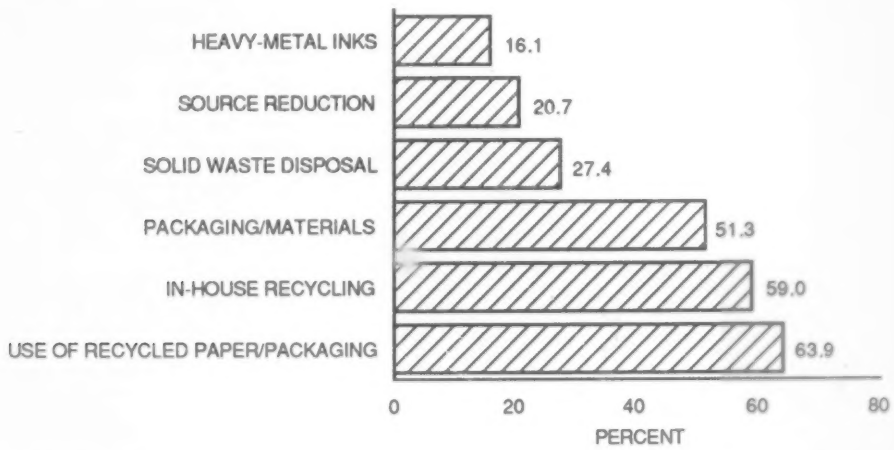
A more detailed analysis by size of firm indicates those with greater annual revenues tend to have less of a perception that their organization has no impact at all on environmental problems.



Source: DMA Environmental Task Force/DMA Research Department, 1990

ENVIRONMENTAL ISSUES RELATING DIRECTLY TO DIRECT MARKETERS' BUSINESS

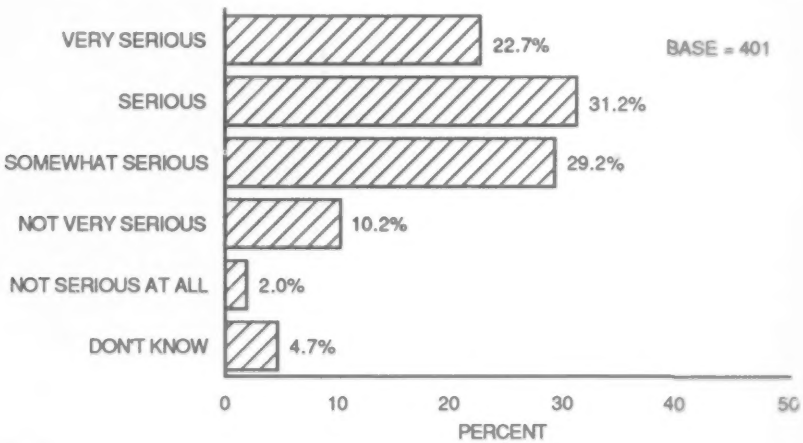
The use of recycled paper/packaging, in-house recycling, and packaging/materials are the top three environmental issues cited which relate directly to the manner in which respondents' businesses operate. Issues cited less frequently by respondents were solid waste disposal, source reduction, and heavy-metal inks.



Source: DMA Environmental Task Force/DMA Research Department, 1990

SERIOUSNESS OF ENVIRONMENTAL ISSUES AFFECTING DIRECT MARKETERS' BUSINESS

Respondents who indicated that environmental issues represent specific business questions affecting their organization were asked to rate how serious they consider these issues to be. More than half (53.9%) consider environmental issues to be "very serious" or "serious" to their business.

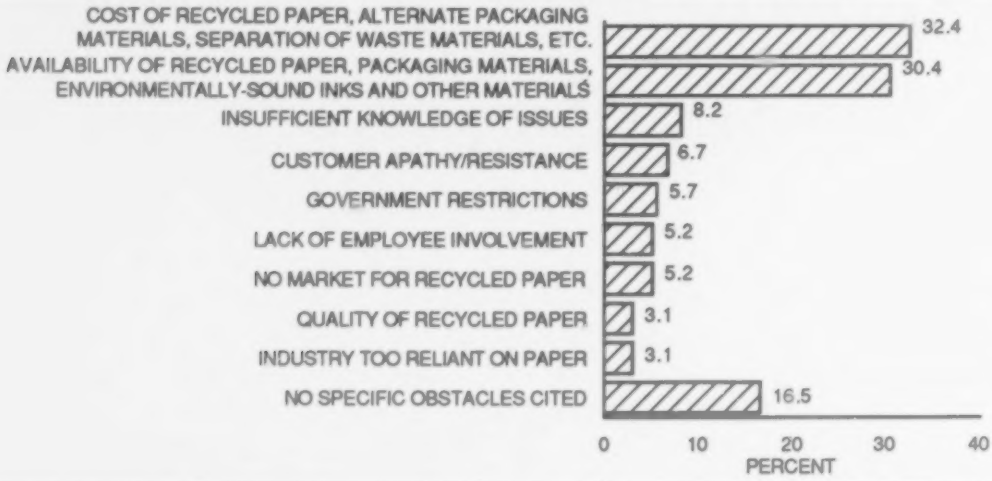


Source: DMA Environmental Task Force/DMA Research Department, 1990

OBSTACLES TO SOLVING ENVIRONMENTALLY-RELATED BUSINESS PROBLEMS

One firm in three reports it is encountering obstacles while trying to solve environmentally-related business problems.

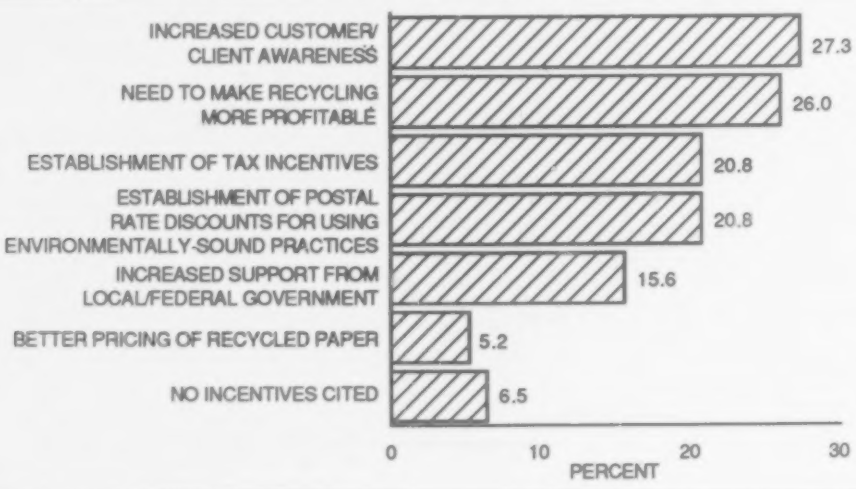
When asked to identify the obstacles faced, cost was mentioned most frequently (32.4%), followed by the need for better availability of recycled or environmentally-safe materials (30.4%).



Source: DMA Environmental Task Force/DMA Research Department, 1990

INCENTIVES TO OVERCOME OBSTACLES REGARDING ENVIRONMENTALLY—RELATED BUSINESS PROBLEMS

Among firms citing obstacles, the majority (60.3%) indicated there are no incentives, or none of which they are aware, which might help them overcome such obstacles in trying to solve environmentally-related business problems. Thirty-nine percent, however, indicated there are incentives which would help.



Source: DMA Environmental Task Force/DMA Research Department, 1990

CUSTOMER COMPLAINTS/CONCERNS REGARDING ENVIRONMENTAL ISSUES

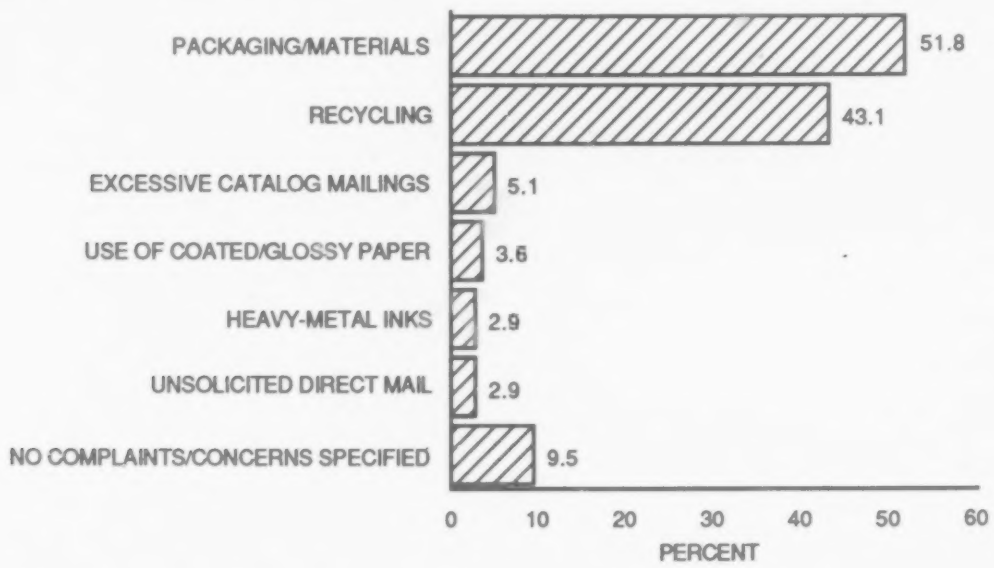
Overall, DMA members received a median of 10 complaints from customers during the first five months of the year. A detailed analysis by size of firm reveals corresponding increases in the number of complaints/concerns with increases in annual revenue.

Received complaints/concerns	23.0%
Did not receive complaints/concerns	72.5%
Don't know/no answer	4.5%
Mean	26.6%
Median	10.0

Source: DMA Environmental Task Force/DMA Research Department, 1990

TOPICS OF CUSTOMER-EXPRESSED ENVIRONMENTALLY RELATED COMPLAINTS/CONCERNS*

According to respondents, complaints/concerns focus primarily on packaging/materials and recycling issues, with 51.8% and 43.1% indicating, respectively.

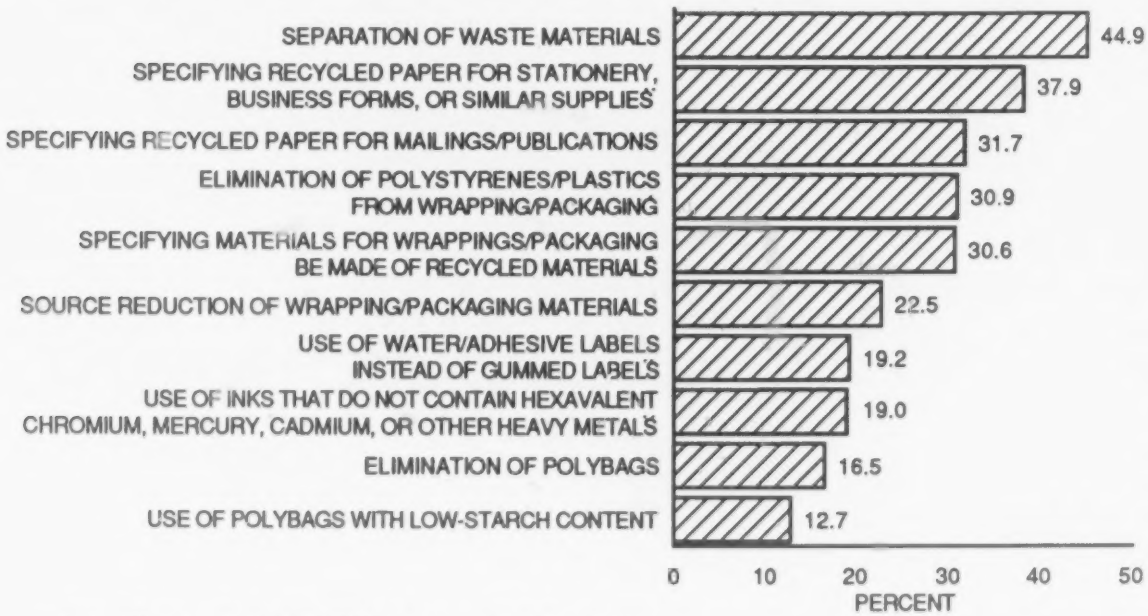


*Note: Table will not total 100% due to multiplicity of response.

Source: DMA Environmental Task Force/DMA Research Department, 1990.

CURRENT AND INTENDED PROGRAMS TO ADDRESS ENVIRONMENTAL QUESTIONS*

Voting members were provided with a list of business-related environmental practices or activities. For each, respondents were asked to indicate whether their organization currently has a program, or plans to implement one within the next two years.



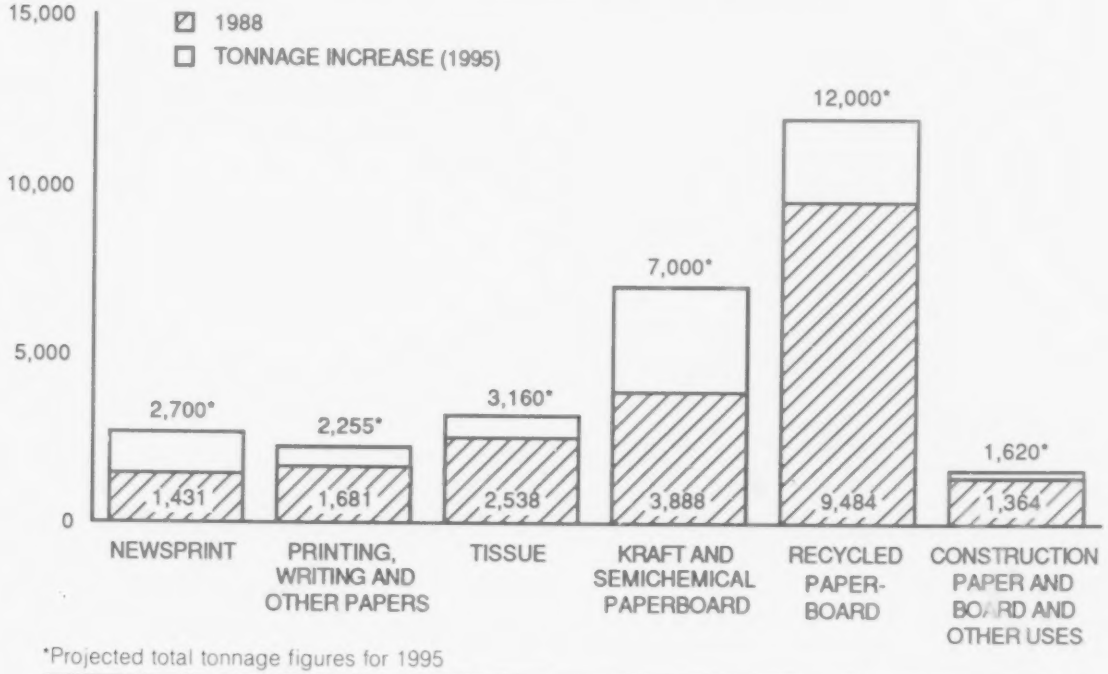
*Note: Table will not total 100% due to multiplicity of response.

Source: DMA Environmental Task Force/DMA Research Department, 1990

The following charts are taken from Paper Recycling: The View to 1995—a look at how U.S. paper manufacturers are responding to the public policy challenge to expand the use of waste paper as a raw material in their processes. This report is a combination of two surveys conducted by the American Paper Institute (Paper, Paperboard, Wood Pulp Capacity—December 1989 and Special Waste Paper Survey—1990). Franklin Associates, Ltd. provided all data projections to 1995 and interpretation of the historic data and API survey data.

DOMESTIC WASTE PAPER CONSUMPTION BY END USE
(IN THOUSANDS OF SHORT TONS)

Total Domestic Waste Paper Consumption 1988 = 20.4 million tons
Total Projected Domestic Waste Paper Consumption 1995 = 28.7 million tons

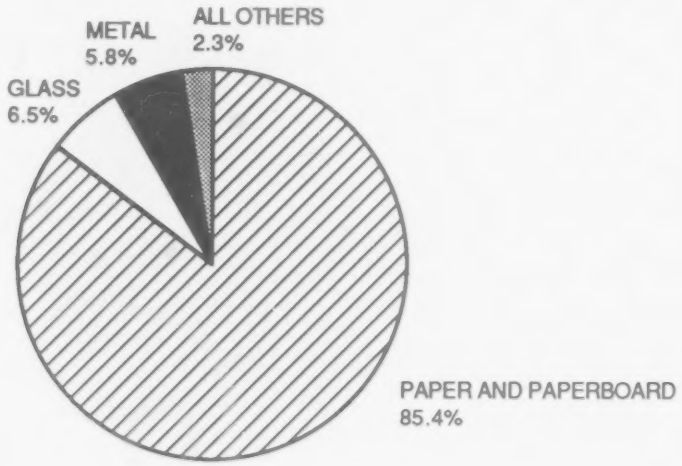


*Projected total tonnage figures for 1995

Source: American Paper Institute and Franklin Associates, Ltd., 1990

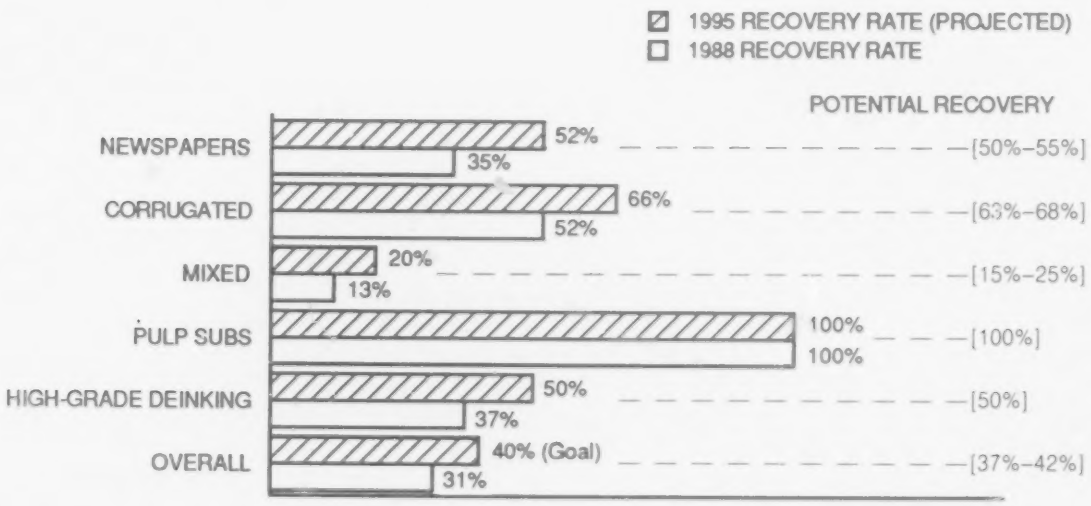
PAPER LEADS RECYCLING

PERCENTAGE OF POST-CONSUMER WASTE MATERIAL RECOVERED FOR RECYCLING (BY WEIGHT)



Source: Franklin Associates, Ltd., 1986

POTENTIAL WASTE PAPER RECOVERY RATES



Source: American Paper Institute and Franklin Associates, Ltd., 1990

• CATALOG

CONSUMER ATTITUDES

BUYING HABITS

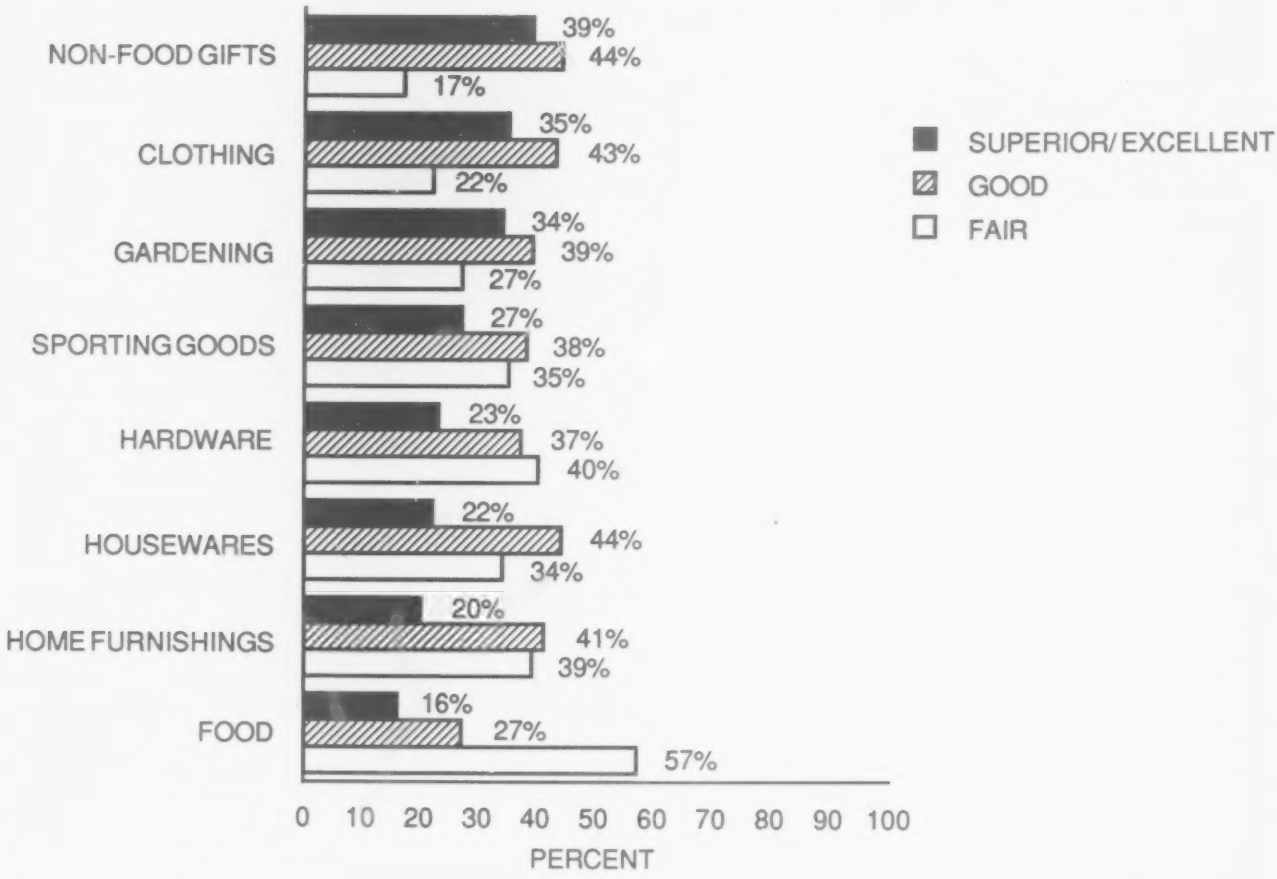
COSTS

TRENDS

ENVIRONMENTAL CONCERNS

OVERALL ATTITUDE TOWARD BUYING VIA CATALOG IN SPECIFIC PRODUCT CATEGORIES

The DMA Study of Behavior and Attitudes of Catalog Consumers was conducted by mail in April, 1988, among 5,800 Catalog Buyers. A 46% response rate was achieved. One of the primary objectives of the study was to identify attitudes which determine why buyers and non-buyers behave as they do.

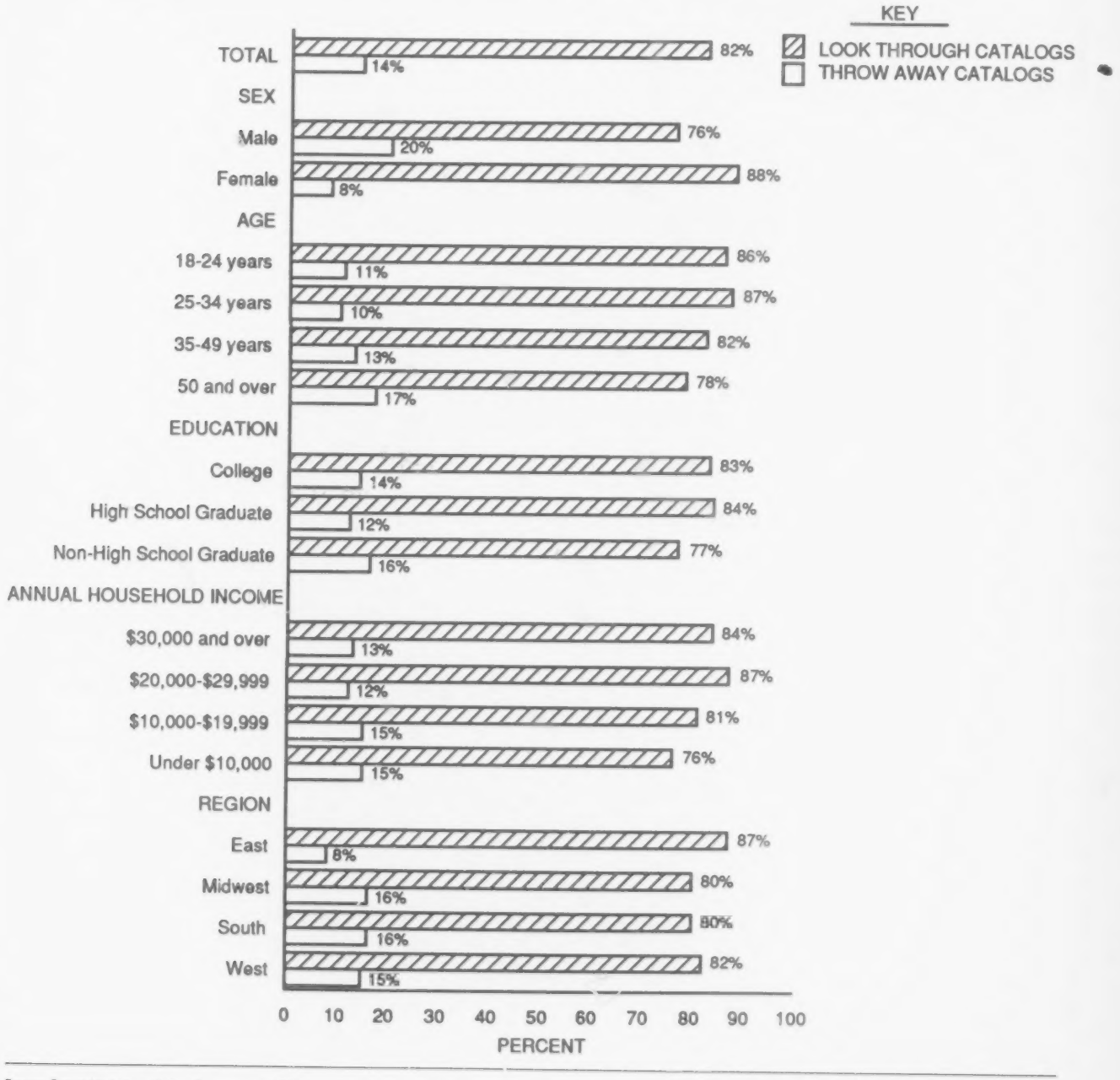


Source: Goldring & Company, Inc. Commissioned by the DMA and its Catalog Council, 1988.

PERCENTAGE OF CONSUMERS WHO LOOK THROUGH CATALOGS RECEIVED

The Gallup Organization survey to determine the fate of catalogs was conducted by telephone during 1987 among 1,005 adults.

The vast majority of adults, more than 8 in 10, usually look through the catalogs they receive.



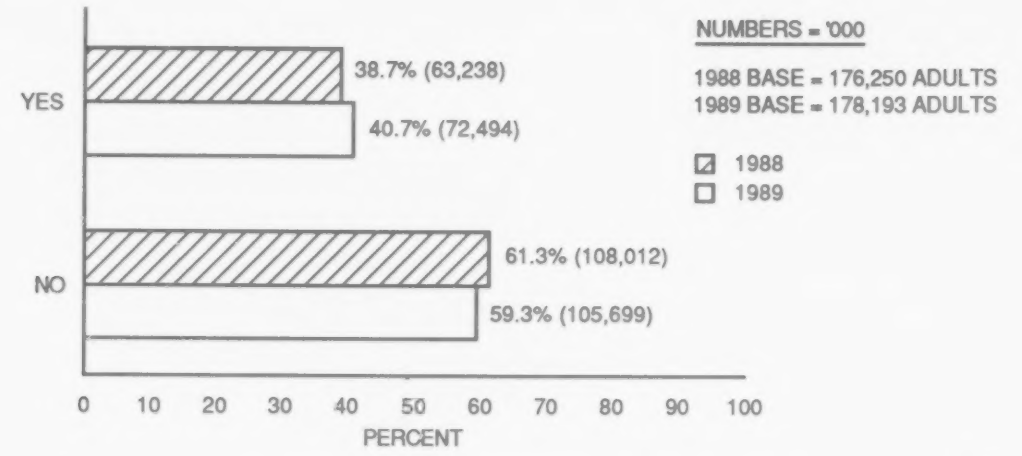
Source: Target Marketing, Gallup Organization, 1988

CATALOGS
NUMBER OF PURCHASES IN LAST 12 MONTHS

	Total U.S. '000	Bought From Catalogs in Last 12 Months '000	%	1–2 Times '000	%	3–5 Times '000	%	6 or more Times '000	%
Total Adults	178,193	72,494	40.7	29,582	16.6	28,336	15.9	14,576	8.2
Males	85,056	29,424	34.6	13,031	15.3	11,590	13.6	4,803	5.6
Females	93,136	43,070	46.2	16,552	17.8	16,746	18.0	9,772	10.5
18–24	25,713	8,382	32.6	4,076	15.9	2,872	11.2	1,433	5.6
25–34	43,283	17,475	40.4	6,881	15.9	6,531	15.1	4,064	9.4
35–44	34,804	16,694	48.0	6,254	18.0	6,687	19.2	3,753	10.8
45–54	23,902	10,863	45.4	3,672	15.4	4,535	19.0	2,656	11.1
55–64	21,733	9,037	41.6	3,708	17.1	3,935	18.1	1,394	6.4
65 and older	28,756	10,043	34.9	4,991	17.4	3,777	13.1	1,275	4.4
Graduated College	32,799	16,691	50.9	6,239	19.0	6,480	19.8	3,971	12.1
Attended College	32,672	15,368	47.0	6,168	18.9	5,766	17.6	3,435	10.5
Graduated High School	70,684	28,167	39.8	11,712	16.6	10,977	15.5	5,478	7.7
Did Not Graduate High School	42,039	12,268	29.2	5,464	13.0	5,113	12.2	1,691	4.0
Professional/Manager	29,483	15,354	52.1	5,471	18.6	6,068	20.6	3,815	12.9
Tech/Clerical/Sales	36,012	16,837	46.8	6,310	17.5	7,150	19.9	3,378	9.4
Precision Craft	14,266	5,119	35.9	2,064	14.5	2,158	15.1	896	6.3
Other Employed	30,939	11,192	36.2	4,669	15.1	4,208	13.6	2,315	7.5
Single	38,354	12,647	33.0	6,052	15.8	4,541	11.8	2,054	5.4
Married	107,815	47,869	44.4	18,059	16.7	19,292	17.9	10,517	9.8
Divorced/Separated/Widowed	32,024	11,978	37.4	5,471	17.1	4,503	14.1	2,004	6.3
Parents	59,509	26,489	44.5	9,813	16.5	10,317	17.3	6,359	10.7
Northeast—Census	37,709	14,688	39.0	5,201	13.8	5,466	14.5	4,021	10.7
Midwest	43,858	21,236	48.4	8,225	18.8	8,705	19.8	4,306	9.8
South	61,120	23,990	39.3	10,716	17.5	9,174	15.0	4,100	6.7
West	35,505	12,581	35.4	5,441	15.3	4,991	14.1	2,150	6.1
Household income									
$60,000 or more	19,957	10,279	51.5	3,668	18.4	4,204	21.1	2,406	12.1
$50,000 or more	31,697	15,983	50.4	5,855	18.5	6,505	20.5	3,623	11.4
$40,000 or more	53,998	27,173	50.3	9,812	18.2	10,869	20.1	6,491	12.0
$30,000 or more	83,793	40,924	48.8	14,814	17.7	16,571	19.8	9,540	11.4
$30,000–$39,999	29,795	13,752	46.2	5,001	16.8	5,702	19.1	3,049	10.2
$20,000–$29,999	34,040	13,363	39.3	6,151	18.1	4,816	14.1	2,396	7.0
$10,000–$19,999	38,419	12,499	32.5	5,747	15.0	4,864	12.7	1,888	4.9
Under $10,000	21,942	5,708	26.0	2,870	13.1	2,086	9.5	752	3.4
Household Size									
1 Person	22,006	7,434	33.8	3,277	14.9	2,679	12.2	1,478	6.7
2 People	57,453	23,801	41.4	9,929	17.3	9,593	16.7	4,279	7.4
3 or 4 People	71,838	30,908	43.0	12,127	16.9	12,311	17.1	6,469	9.0
5 or more people	26,896	10,351	38.5	4,249	15.8	3,752	14.0	2,350	8.7
No child in household	106,426	41,941	39.4	18,045	17.0	16,345	15.4	7,551	7.1
Child(ren) under 2 years	14,122	5,526	39.1	2,380	16.9	1,993	14.1	1,154	8.2
2–5 years	26,410	10,692	40.5	4,101	15.5	3,695	14.0	2,896	11.0
6–11 years	33,185	13,840	41.7	5,159	15.5	5,429	16.4	3,253	9.8
12–17 years	33,008	14,221	43.1	5,140	15.6	5,889	17.8	3,192	9.7
Residence owned	122,907	55,957	45.5	22,322	18.2	21,663	17.6	11,972	9.7
Value: $70,000 or more	60,160	29,235	48.6	11,030	18.3	11,498	19.1	6,708	11.2
Value: Under $70,000	62,747	26,721	42.6	11,292	18.0	10,165	16.2	5,265	8.4

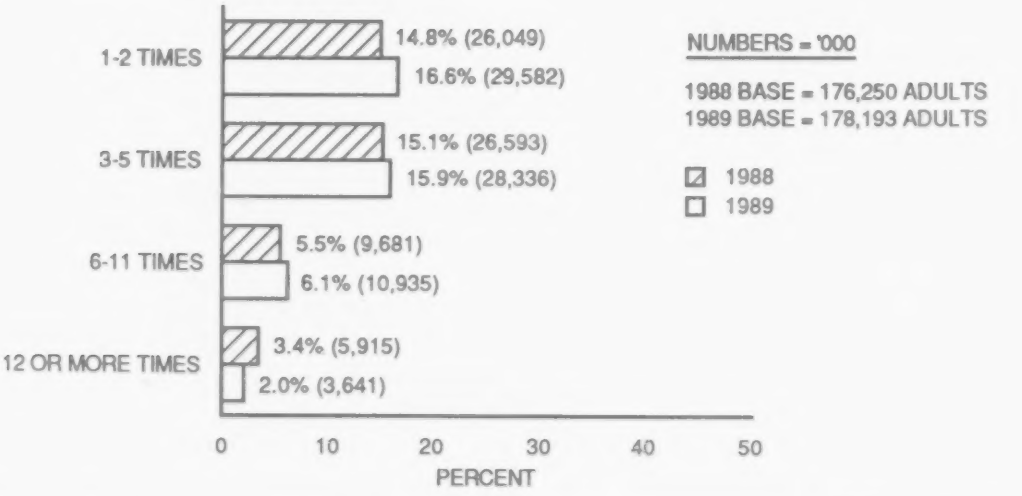
Source: Simmons Market Research Bureau 1989 Study of Media & Markets

ADULTS WHO HAVE BOUGHT MERCHANDISE FROM A CATALOG IN THE LAST 12 MONTHS



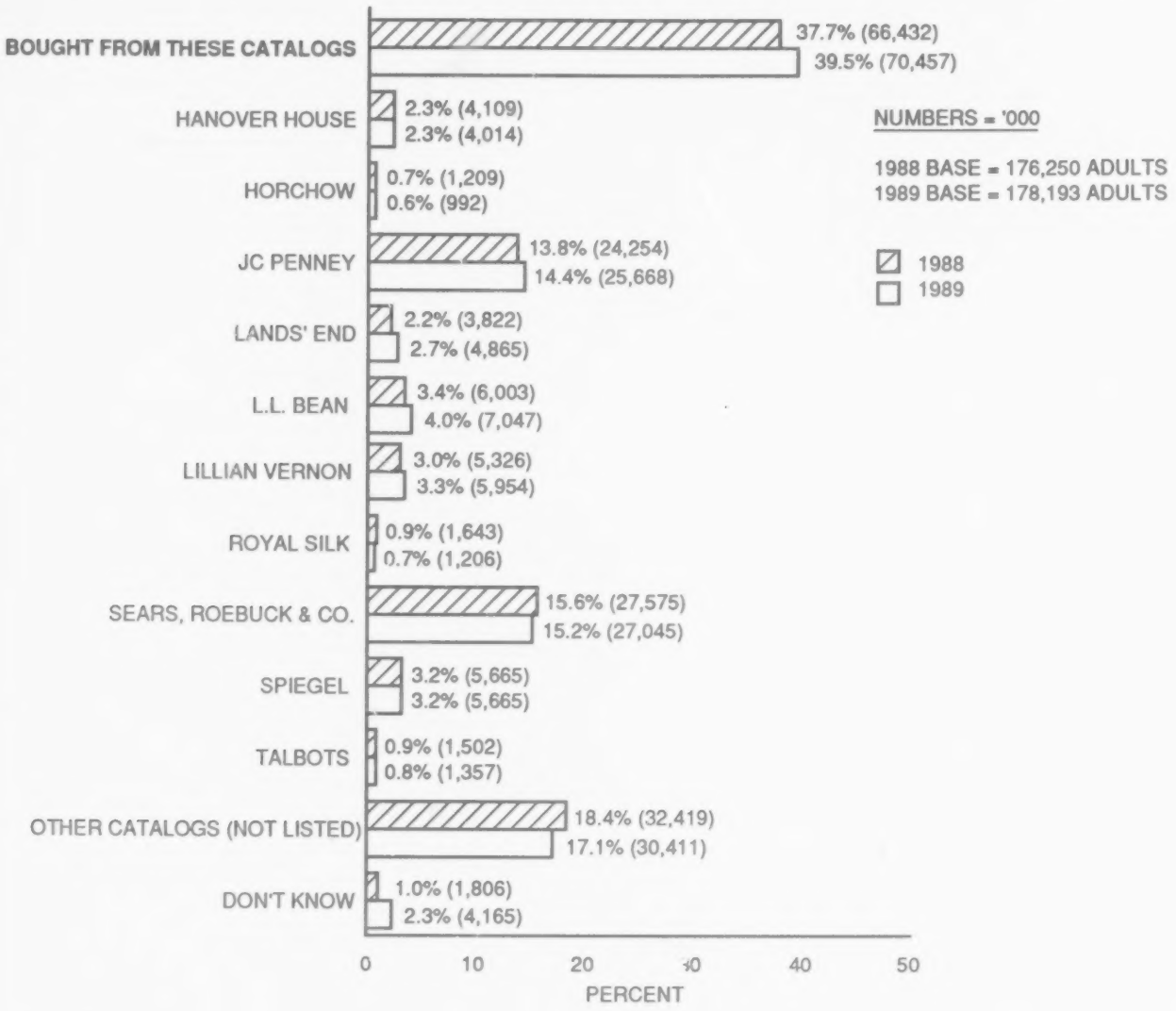
Source: Simmons Market Research Bureau 1988 & 1989 Study of Media and Markets

NUMBER OF TIMES ADULTS HAVE BOUGHT MERCHANDISE FROM A CATALOG IN THE LAST 12 MONTHS



Source: Simmons Market Research Bureau 1988 & 1989 Study of Media and Markets

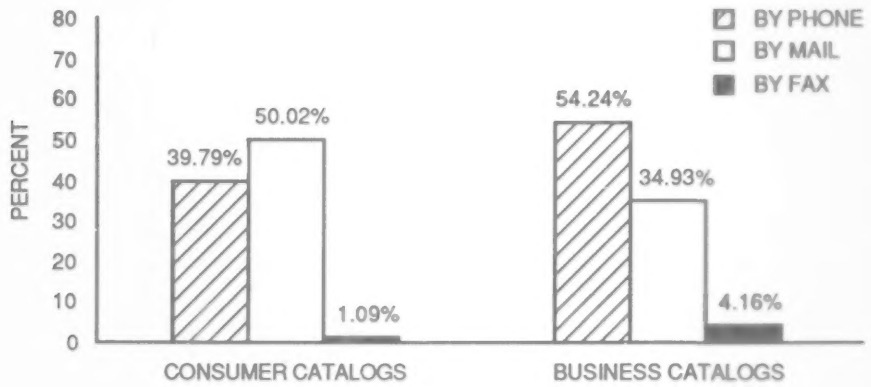
CATALOGS ADULTS HAVE BOUGHT MERCHANDISE FROM IN THE LAST 12 MONTHS



Source: Simmons Market Research Bureau 1988 & 1989 Study of Media and Markets

THE THIRD ANNUAL CATALOG AGE STUDY: The Comprehensive Annual Analysis of Catalog Trends and Practices provides a comprehensive and quantitative overview of virtually every aspect of catalog marketing. Conducted and compiled during the summer and fall of 1989, the 10-page market survey was mailed to a large sampling of catalog company executives culled from the Catalog Age subscriber list. The data presented by the 1989 report represent the answers of the 397 survey respondents. Of the respondents, 59.9 percent were consumer catalogers, 18.6 percent were business to business catalogers and 21.7 percent marketed to both consumers and businesses.

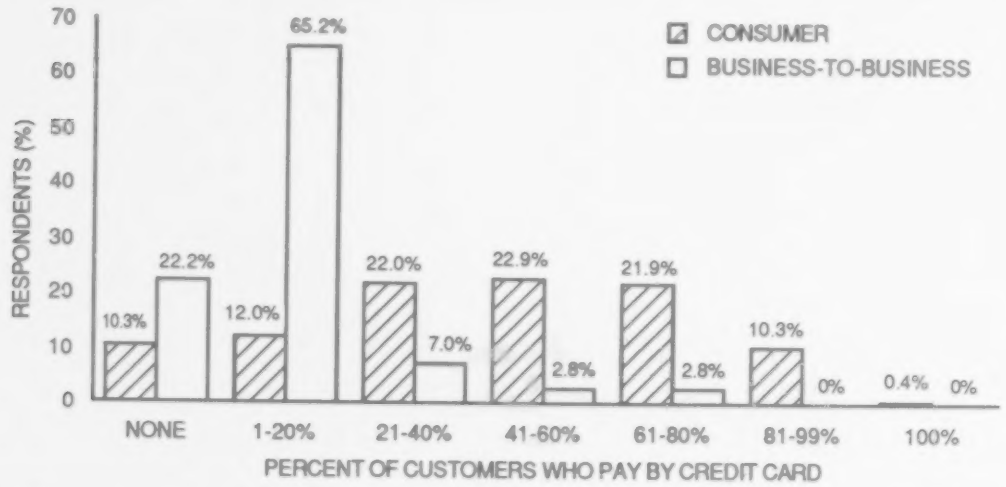
PERCENTAGE OF ORDERS PLACED BY PHONE, MAIL OR FAX



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

PERCENTAGE OF CUSTOMERS WHO PAY BY CREDIT CARD

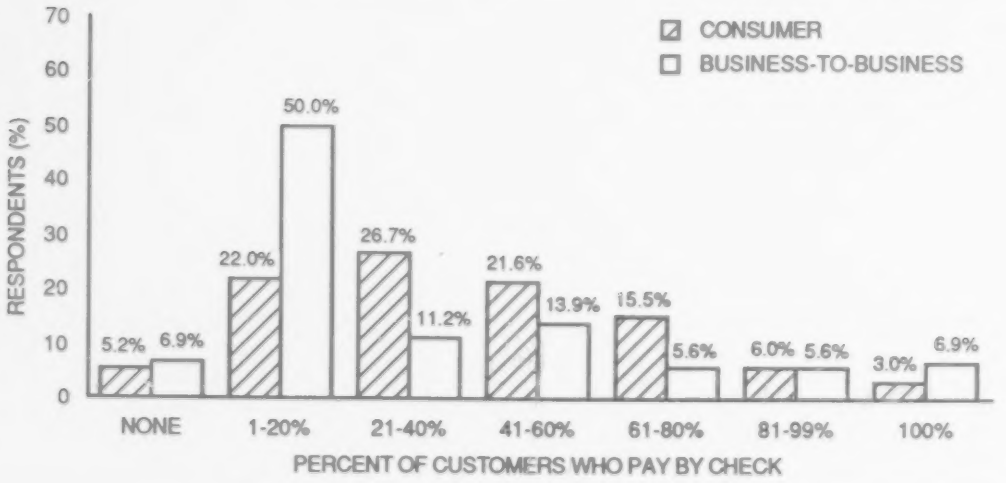
Consumer catalogers take the most plastic. For consumer catalogers, the percentage of customers who pay by credit card, on the average, is 45.10%. In contrast, however, customers of business catalogs pay by credit card only 9.41% of the time.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

PERCENTAGE OF CUSTOMERS WHO PAY BY CHECK

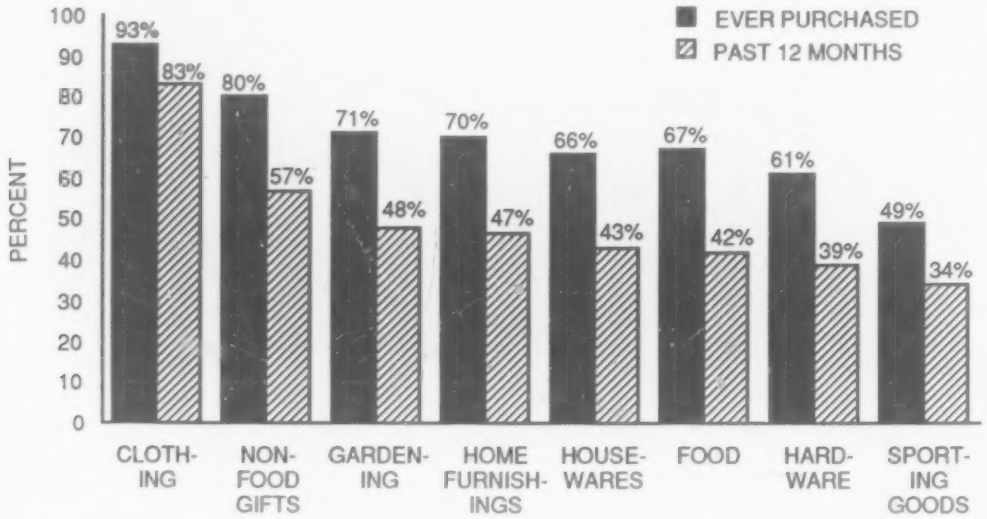
Consumer catalogers have the highest percentage of their customers paying by check, at 40.07% using mean figures. Business catalogers average 30.52% of their customers paying by check.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

TYPES OF PRODUCTS PURCHASED THROUGH CATALOGS

The DMA Study of Behavior and Attitudes of Catalog Consumers was conducted by mail in April, 1988, to 5,800 Catalog Buyers. A 46% response rate was achieved. One of the primary objectives of the study was to identify attitudes which determine why buyers and non-buyers behave as they do.

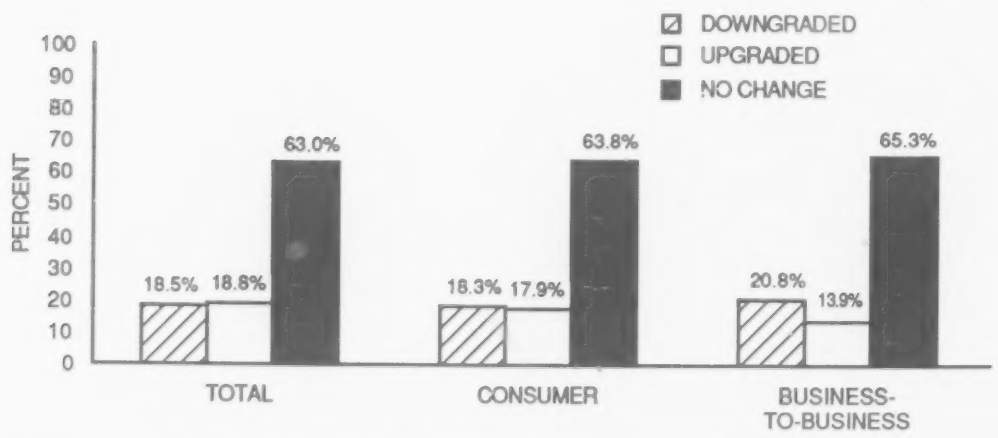


Source: Goldring & Company, Inc. Commissioned by the DMA and its Catalog Council, 1988

THE THIRD ANNUAL CATALOG AGE STUDY: The Comprehensive Annual Analysis of Catalog Trends and Practices provides a comprehensive and quantitative overview of virtually every aspect of catalog marketing. Conducted and compiled during the summer and fall of 1989, the 10-page market survey was mailed to a large sampling of catalog company executives culled from the Catalog Age subscriber list. The data presented by the 1989 report represent the answers of the 397 survey respondents. Of the respondents, 59.9 percent were consumer catalogers, 18.6 percent were business to business catalogers and 21.7 percent marketed to both consumers and businesses.

CATALOGERS THAT HAVE UPGRADED OR DOWNGRADED PAPER QUALITY IN THE PAST 12 MONTHS

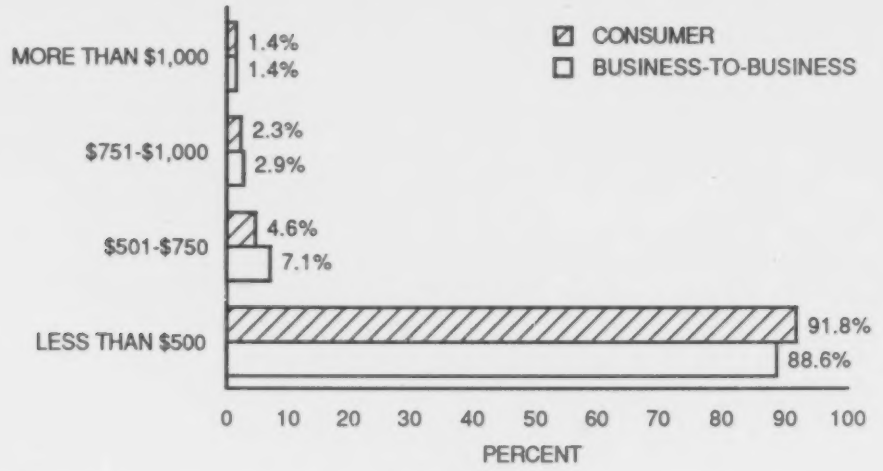
In the last year, 18.8% of all catalogers indicate that they have upgraded paper, although the majority—63.0%—say they made no change.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

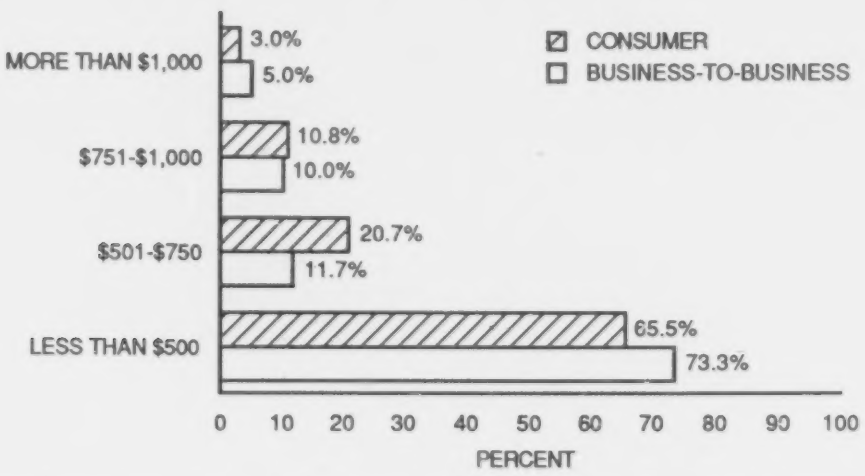
EXPENDITURES PER PAGE ON ART WORK, TYPE, AND MECHANICALS

(excluding illustration/photography, color separations, and models)?



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

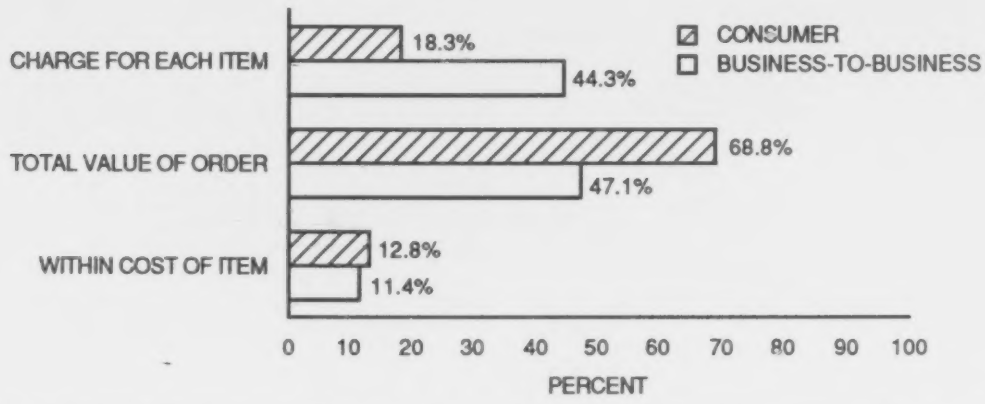
EXPENDITURES PER PAGE ON COLOR SEPARATIONS



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

SHIPPING AND HANDLING POLICIES

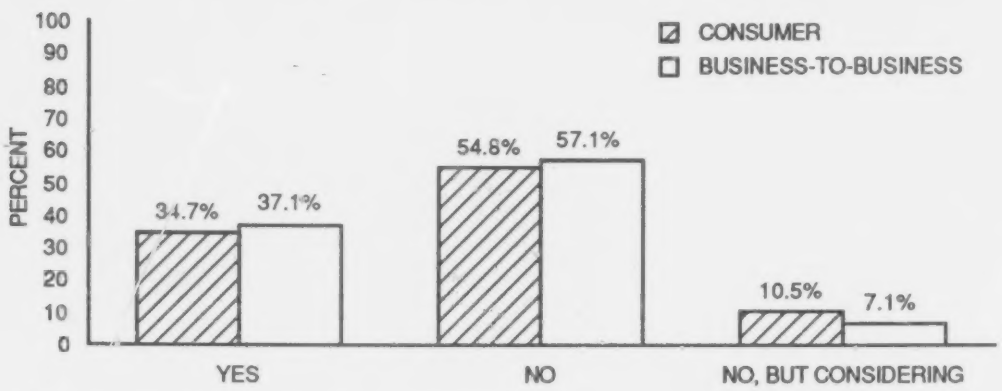
Over 60% of catalogers say they have considered but rejected the idea of including shipping and handling in the price of an item.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

CATALOGERS WHO PAY POSTAGE COSTS FOR RETURNED MERCHANDISE

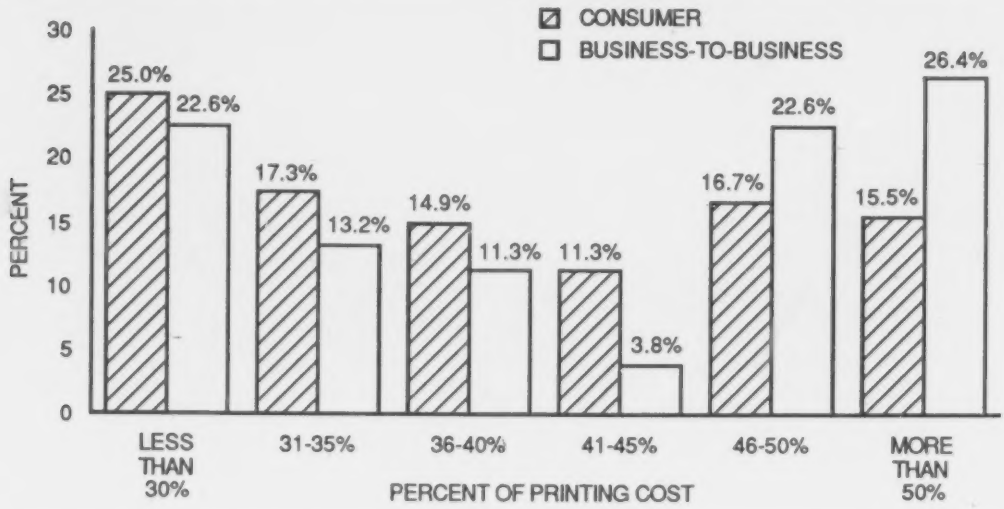
Most catalogers do not pay postage for returned merchandise. Consumer catalogers report that 34.7% of them do, and another 10.5% are considering adopting the policy.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

PERCENTAGE OF PRINTING COSTS FOR PAPER

More than three quarters of all respondents claim paper accounts for less than half of their total printing bills. However, according to the survey, most catalogers give their printers the task of buying paper for them. This factor could mean those catalogers don't keep close track of paper costs.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

CATALOG COST RANGES
(60# COATED STOCK)

FINISHED SIZE	LEAVES/ PAGES	COLORS/ SIDES	COST PER THOUSAND		
			50M	100M	300M
8-½" × 11"	16/32	2/2	206.50	179.55	160.75
8-½" × 11"	16/32	4/2	287.05	233.35	197.70
8-½" × 11"	24/48	2/2	303.00	267.40	243.25
8-½" × 11"	24/48	4/2	395.50	328.60	283.10
8-½" × 11"	32/64	2/2	392.80	344.55	309.80
8-½" × 11"	32/64	4/2	497.25	417.25	362.85
8-½" × 11"	48/96	2/2	561.60	491.80	447.90
8-½" × 11"	48/96	4/2	684.86	573.50	503.70
5-½" × 8-½"	16/32	2/2	134.20	116.70	104.80
5-½" × 8-½"	16/32	4/2	185.85	152.15	127.90
5-½" × 8-½"	24/48	2/2	197.55	174.87	158.42
5-½" × 8-½"	24/48	4/2	255.25	213.35	184.20
5-½" × 8-½"	32/64	2/2	285.95	253.75	229.55
5-½" × 8-½"	32/64	4/2	372.50	308.50	264.65

NOTE: All above are self-cover, saddle-stiched; prices do not include bound-in order cards/forms/ envelopes.

Source: Shell Alpert, Alpert O'Neil Tigre & Co., 1990

1990 CATALOG SALARIES

Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast; 3) Search assignments that were received, nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

Position Title And Description	Years Exp.	Base Salary Range (excluding benefits)		Leading Firms
ADVERTISING MANAGER: Corporate responsibility for conversion of marketing plan into communication using creative tools and media.	1–3	$34,600	$46,700	$46,900
	4–7	$45,900	$50,000	$54,400
	7+	$53,400	$56,700	$59,500
ART DIRECTOR/Catalog: Sets graphic tone, color, format, type, photography, images and paper for maximum sales at minimum cost.	1–3	$22,200	$24,400	$29,700
	4–7	$26,300	$31,800	$38,700
	7+	$36,400	$41,600	$48,000
ART STAFF: Responsible for the creation of comps, type spec'ing, camera-ready mechanicals, under the direction of the art director.	1–3	$15,800	$20,300	$22,800
	4–7	$20,800	$24,800	$26,200
	7+	$25,700	$28,900	$33,200
CIRCULATION DIRECTOR/Consumer: Identifies the target audience, marketing policy and pricing and guides creative efforts and audits.	1–3	$47,900	$52,100	$56,900
	4–7	$54,600	$59,900	$63,700
	7+	$61,400	$67,000	$76,300
COPY CHIEF: Conceptualizes, supervises, inspires and directs copywriters in creation of written promotional materials for all media.	1–3	$28,100	$31,400	$35,900
	4–7	$33,500	$38,300	$42,500
	7+	$40,200	$44,900	$50,700
COPYWRITER/Catalog: Ability to write copy that sparkles and accurately sells products, generally in very limited space on the page.	1–3	$16,300	$18,500	$23,000
	4–7	$20,900	$25,300	$28,700
	7+	$26,700	$34,400	$38,200
CREATIVE DIRECTOR/Corporate: Guides staff in developing art and copy capabilities for creative communications with customers.	1–3	$31,300	$35,800	$38,900
	4–7	$36,600	$41,000	$44,900
	7+	$42,000	$51,400	$55,900
CUSTOMER SERVICE MANAGER: Responsible for diplomatic, effective satisfaction of customer relations within company's guidelines.	1–3	$17,100	$18,900	$23,000
	4–7	$20,300	$24,700	$27,900
	7+	$25,300	$30,200	$32,500
DATA PROCESSING MANAGER: Responsible for the management information services and systems, design, analysis, and programming.	1–3	$36,000	$41,100	$45,800
	4–7	$43,100	$48,100	$52,100
	7+	$49,600	$54,700	$59,200
FULLFILLMENT MANAGER/Product: Supervises merchandise order entry and processing, customer service, inventory, and warehousing.	1–3	$32,800	$37,300	$41,000
	4–7	$38,900	$42,600	$46,900
	7+	$44,700	$49,400	$53,900
LIST MANAGER/Corporate: Supervises, maintains, selects, analyzes, promotes and sells house lists and buys/exchanges outside lists.	1–3	$27,200	$29,400	$33,800
	4–7	$31,600	$36,800	$40,000
	7+	$37,700	$43,100	$44,200
MARKETING DIRECTOR/Consumer Catalog: Determines marketing position, guides merchandise direction and carries the P&L duty.	1–3	$40,800	$46,400	$53,100
	4–7	$50,700	$56,500	$64,700
	7+	$58,100	$70,500	$77,200
MARKETING/Business Product Manager: Sells products or services to defined and targeted commercial markets, generally with catalogs.	1–3	$23,700	$28,200	$33,200
	4–7	$30,100	$36,200	$40,100
	7+	$38,500	$43,000	$45,600
MARKET RESEARCH MANAGER: Gather and distills data into intelligent information utilizing the complete gamut of research tools.	1–3	$24,700	$29,300	$34,300
	4–7	$30,700	$34,700	$40,400
	7+	$36,900	$38,500	$43,400
MERCHANDISE BUYER: Develops products, shops, covers markets, meets and negotiates with vendors and keeps tabs on inventory.	1–3	$22,300	$23,400	$28,600
	4–7	$25,900	$30,000	$33,000
	7+	$31,000	$35,700	$37,400
PRODUCTION MANAGER: Knows about processes, particularly printing, to buy or produce materials, with emphasis on costs and quality.	1–3	$23,300	$26,400	$29,400
	4–7	$26,500	$32,600	$36,000
	7+	$33,500	$41,900	$46,300
TELEMARKETING MANAGER/Inbound: Complete responsibility for equipment and integration order taking and/or customer service.	1–3	$24,600	$27,700	$32,500
	4–7	$31,200	$35,900	$39,800
	7+	$37,300	$41,900	$45,100
TELEMARKETING SUPERVISOR/Inbound: Oversees Telemarketing Sales Representatives in order taking and providing customer service.	1–3	$20,700	$21,400	$21,900
	4–7	$22,300	$23,700	$26,400
	7+	$24,200	$25,400	$28,900
TELEMARKETING TRAINER: Interviews, hires and trains Telemarketing Sales Representatives for continual quality control, and motivation.	1–3	$24,800	$27,200	$28,700
	4–7	$27,500	$31,000	$35,900
	7+	$34,300	$38,500	$40,400

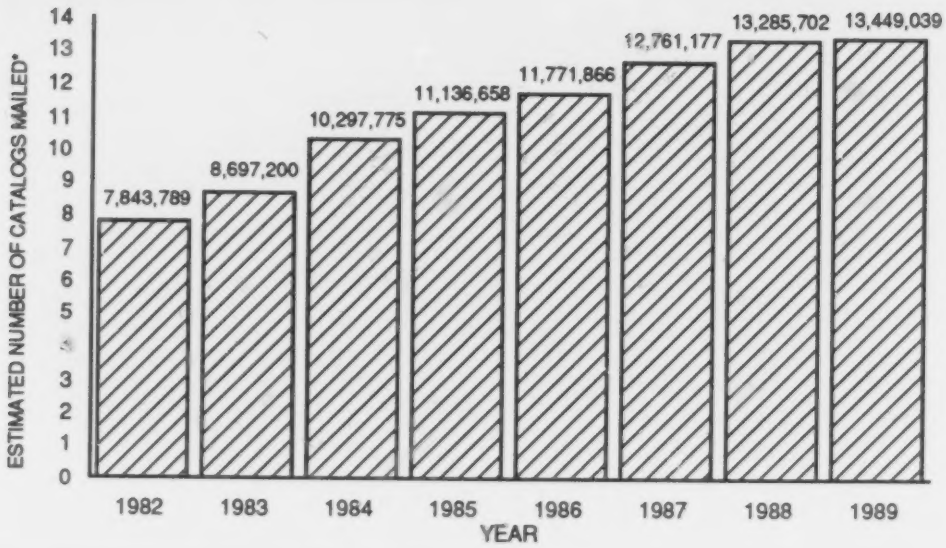
Source: Crandall Associates, Inc., 1990

LEADING CATALOGS
RANKED BY 12-MONTH BUYERS

1990 Rank	1987 Rank	Catalog	Product	Buyers in 12 months	Average Order
1	1	Spiegel	Home, apparel	3,800,000	$106
2	7	L'eggs	Hosiery	3,700,000	$18
3	2	Fingerhut	Misc. products	3,200,000	$50
4	3	Lillian Vernon	Misc. products	3,100,000	$38
5	5	Avon Fashions	Apparel	3,000,000	$42
6	4	L.L. Bean	Outdoor products	1,900,000	$60
7	*	Harriet Carter	Gifts	1,800,000	$29
8	*	Miles Kimball	Misc. Products	1,700,000	$20
9	9	Current	Cards, misc.	1,700,000	$50
10	8	Warshawsky/Whitney	Auto products	1,600,000	$35
11	10	Lane Bryant	Women's apparel	1,400,000	$50
12	13	Swiss Colony	Food gifts	1,400,000	$65
13	15	Lands' End	Apparel, misc.	1,400,000	$65
14	11	Cabela's	Fishing products	1,300,000	$60
15	12	Figi's	Food gifts	1,300,000	$50
16	6	Spencer Gifts	Gifts	1,200,000	$23
17	20	Eddie Bauer	Outdoor products	1,200,000	$80
18	24	DAK	Electronics	1,000,000	$165
19	27	J. Crew	Apparel	965,000	$100
20	17	Breck's Dutch Bulbs	Flowers	951,000	$45
21	26	Gander Mountain	Outdoor products	930,000	$67
22	32	Chadwick's of Boston	Apparel	918,000	$70
23	23	Talbots	Apparel	906,000	$100
24	42	Spring Hill Nurseries	Seeds, plants	871,000	$40
25	19	Hanover House	Specialty products	802,000	$20
26	35	C.O.M.B.	Factory surplus	778,000	$110
27	31	Park Seed	Seeds	723,000	$14
28	18	Jackson & Perkins	Garden products	717,000	$45
29	25	Roaman's	Women's Apparel	700,000	$50
30	28	Harry & David	Food gifts	681,000	$65
31	21	Williams-Sonoma	Cookware	648,000	$46
32	29	Burpee	Seeds	605,000	$40
33	22	Popular Club Plan	Apparel, misc.	600,000	$90
34	*	Mellow Mail	Lingerie, apparel	600,000	$60
35	*	National Wholesale	Hosiery, lingerie	584,000	$30
36	*	Gurney Seed & Nursery	Seeds, plants	576,000	$20
37	*	Easy Living	Household items	575,000	$23
38	63	Wisconsin Cheeseman	Food gifts	568,000	$52
39	55	Childcraft	Toys	544,166	$53
40	68	The Company Store	Outerwear, bedding	537,000	$110
41	41	Horchow Collection	Misc. products	536,000	$90
42	40	Bedford Fair	Apparel	523,000	$64
43	16	Old Pueblo Traders	Apparel	500,000	$65
44	49	Orvis	Gifts, apparel	496,000	$78
45	52	Frederick's of Hollywood	Lingerie	496,000	$55
46	37	Abbey Press	Gifts	468,000	$30
47	48	Austad's	Golf products	465,000	$65
48	30	Ambassador Apparel	Apparel, misc.	461,000	$33
49	50	Joan Cook	Gifts, housewares	435,000	$60
50	44	Neiman-Marcus	Apparel, home	422,000	$100

*indicates that these catalogs were not on the top 50 list in 1987
Source: Target Marketing, April 1990

CATALOGS MAILED PER YEAR: 1982–1989

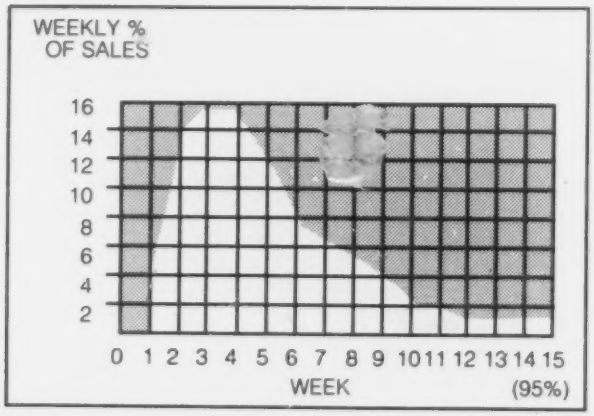


*These figures are extrapolated from the USPS *Revenue, Pieces and Weight by Classes of Mail Report* based on the following assumptions that have been agreed upon by both the USPS and DMA and further substantiated by the findings of the USPS Household Diary Study:

- 21% of all third-class mail is catalogs (including non-profit mail)
- 85% of all fourth-class bound printed matter is catalogs

Source: DMA/USPS Revenue, Pieces and Weight by Classes of Mail Report, 1990

TYPICAL CATALOG RESPONSE CURVE

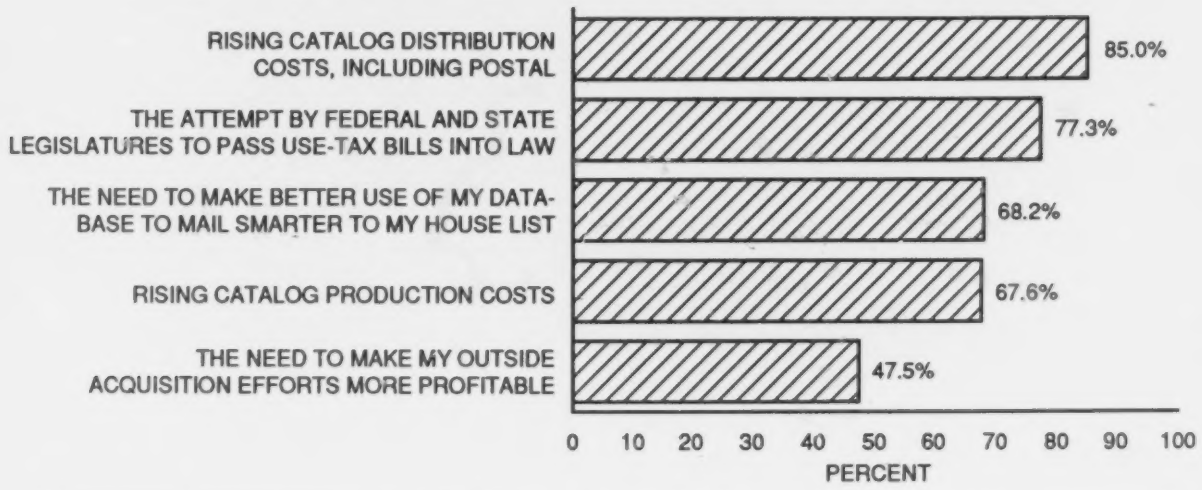


Developing response curves, which indicate the percent of sales for each week of the catalog response period, can be an effective way to gauge how much inventory is required for any given product. Often, the first week's response can give a reliable indication of final sales, especially for hot-selling items that will need to be reordered immediately.

Source: Fenvessy Consulting, 1990

TOP FIVE ISSUES MOST CONCERNING CATALOGERS

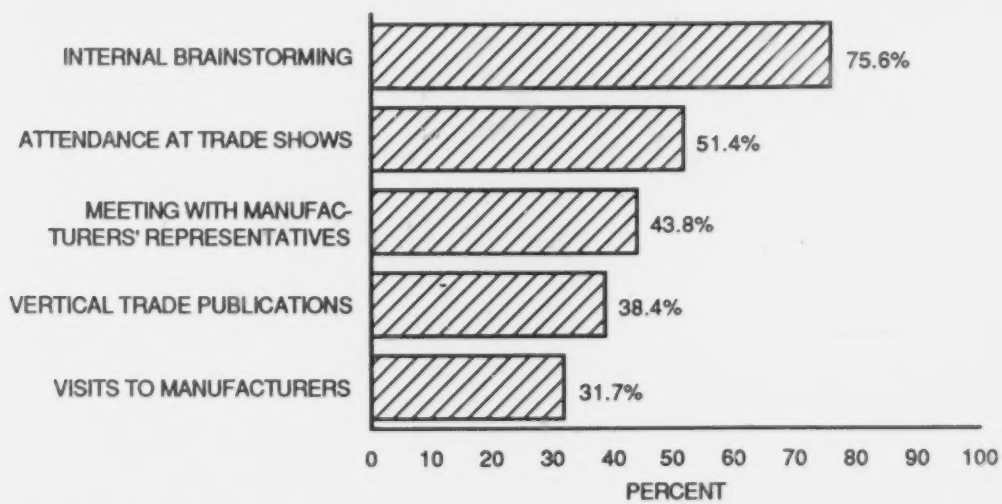
Catalogers were asked to rate 11 issues using a five point scale, where 1 represents a critically important issue and 5 represents a relatively minor one. The percentages below represent the total number of respondents rating each issue 1 or 2.


RISING CATALOG DISTRIBUTION COSTS, INCLUDING POSTAL
85.0%
THE ATTEMPT BY FEDERAL AND STATE LEGISLATURES TO PASS USE-TAX BILLS INTO LAW
77.3%
THE NEED TO MAKE BETTER USE OF MY DATA-BASE TO MAIL SMARTER TO MY HOUSE LIST
68.2%
RISING CATALOG PRODUCTION COSTS
67.6%
THE NEED TO MAKE MY OUTSIDE ACQUISITION EFFORTS MORE PROFITABLE
47.5%
0 10 20 30 40 50 60 70 80 90 100
PERCENT

Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989.

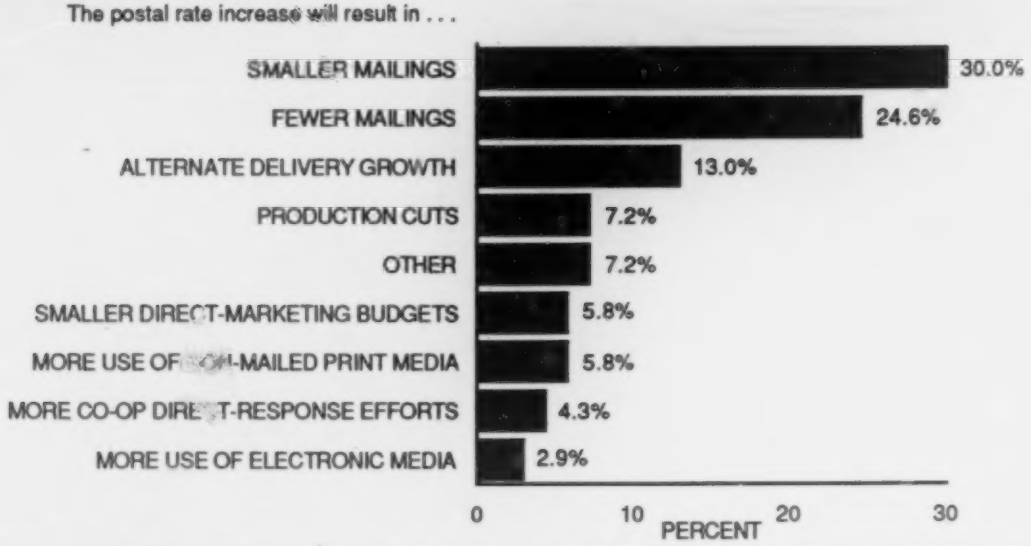
TOP FIVE SOURCES OF MERCHANDISE

Catalogers were asked to rate eight sources of merchandise using a five point scale, where 1 represents a very important merchandise source and 5 represents a very poor one. The percentages below represent the total number of respondents rating each source 1 or 2.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989.

ANTICIPATED REACTIONS TO POSTAL RATE HIKE BY DIRECT MARKETING AGENCY EXECUTIVES

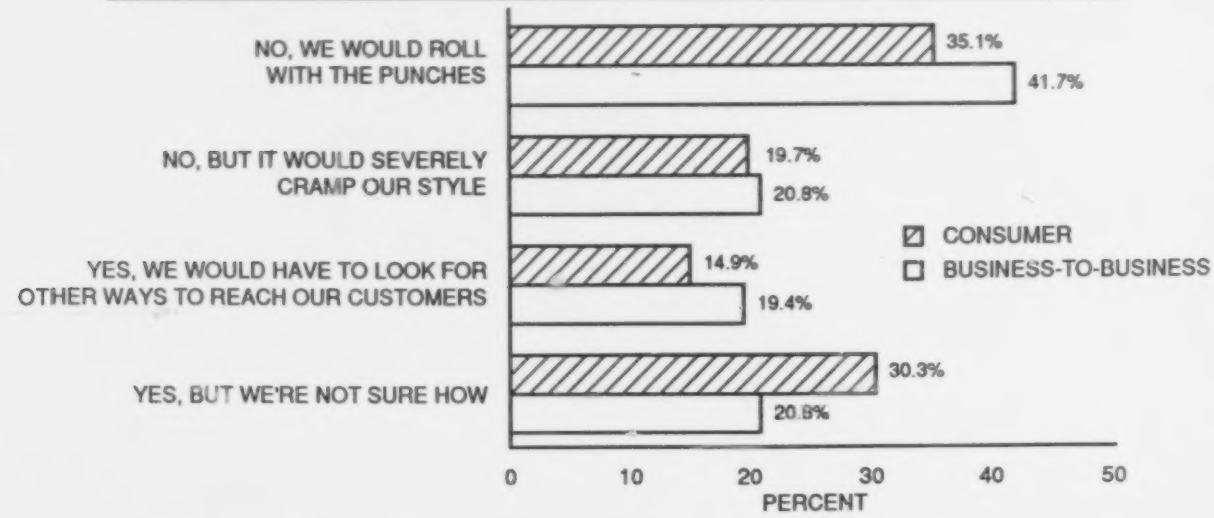


Note: Responses indicate percentage of agency executives identifying each area as their clients' most likely reaction to postal rate hike.

Source: Advertising Age, 1990

IMPACT OF PROPOSED POSTAL INCREASE

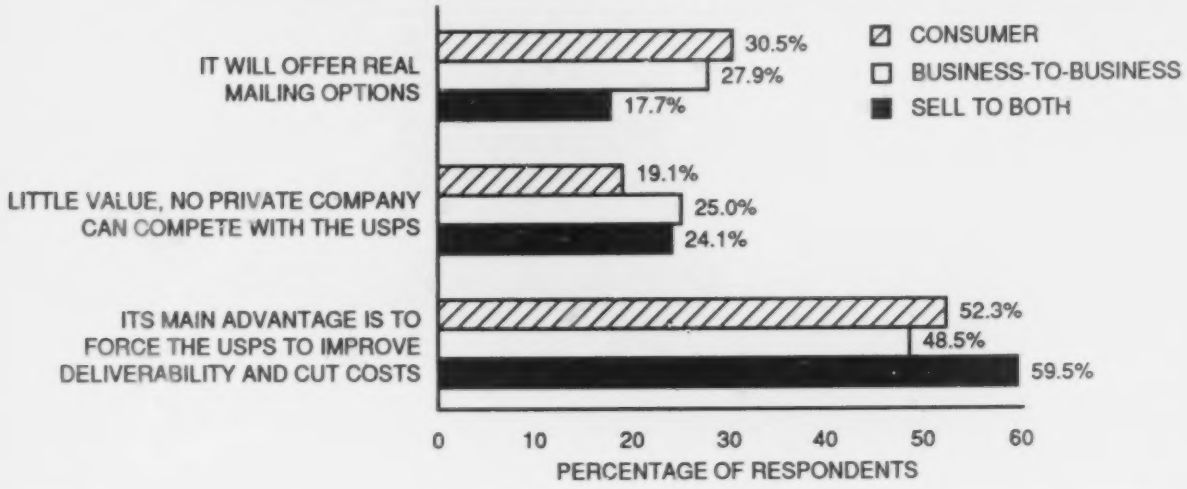
Catalogers were asked if the proposed postal rate increase would drastically alter the way they do business. Three quarters of all respondents feel a postal increase would drastically change the way they do business.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

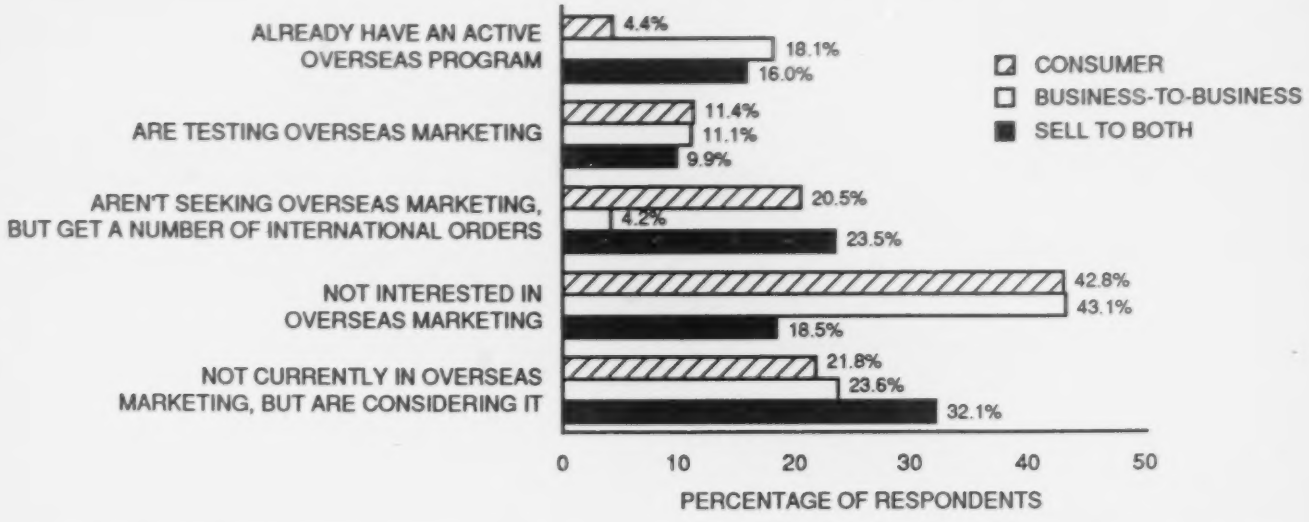
ATTITUDES TOWARD ALTERNATE OR PRIVATE DELIVERY

More than 50% of catalogers (194 out of a base of 369) feel alternate or private delivery is a main advantage to improve deliverability and cut costs.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

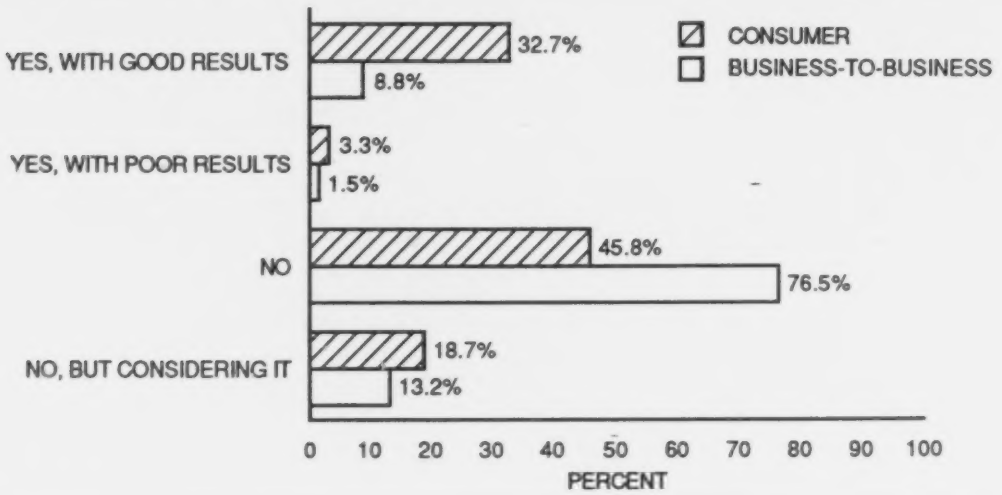
PERCENTAGE OF CATALOGERS CONCERNED WITH INTERNATIONAL MARKETING



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

CATALOGERS WHO HAVE USED NATIONAL CHANGE OF ADDRESS (NCOA)

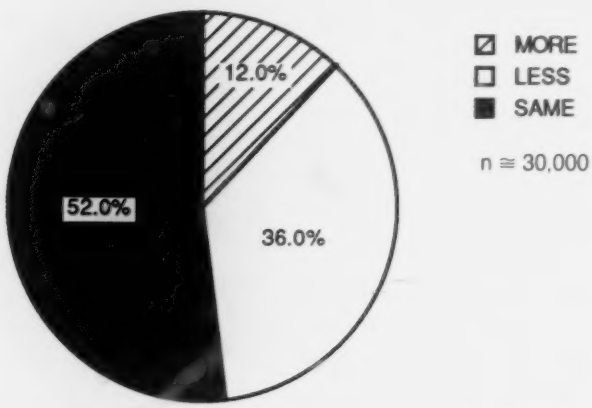
The acceptance and usage of NCOA is growing significantly among catalogers. Last year only 24.7% reported usage with good results. This year usage has grown to 33%. Moreover, use with poor results has dropped significantly.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

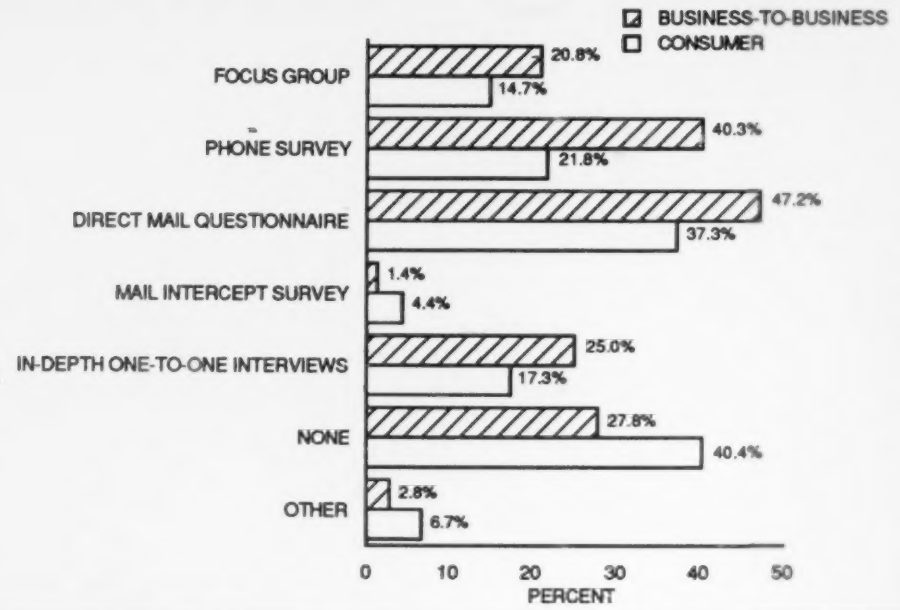
CATALOG USAGE: 1989 vs. 1988

This survey, designed to find out about consumer shopping habits, was conducted in mid-December 1989, and was mailed to 40,000 households. A 75 percent response rate was achieved. Respondents were asked: "Do you plan to use catalogs more than/less than/the same as last year (1988)?"



Source: NPD Group/Home Testing Institute Custom Research, 1990

METHODS OF MARKET RESEARCH EMPLOYED BY CATALOGERS

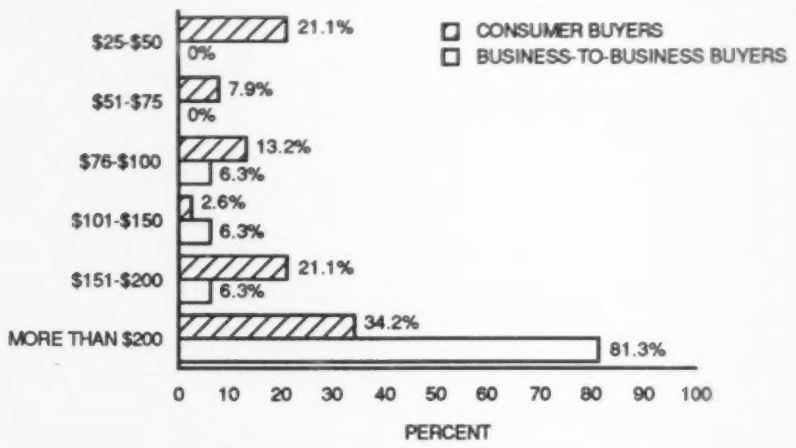


Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

LIFETIME VALUE OF A CUSTOMER

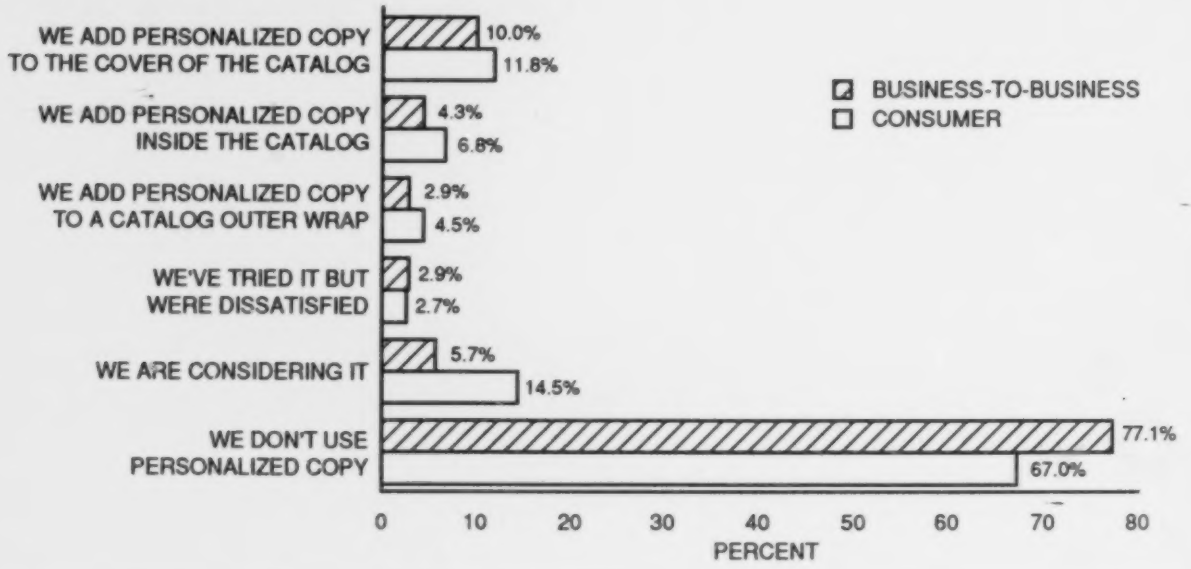
(Based on Responses from Catalogers Who Have Conducted Studies to Estimate the Lifetime Value of Their Customers)

Lifetime Value—A measurement of long-term dollar value of a customer, subscriber, donor, etc. Business-to-business buyers are the most highly valued. The majority of consumer buyers are valued at between $25–$200.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

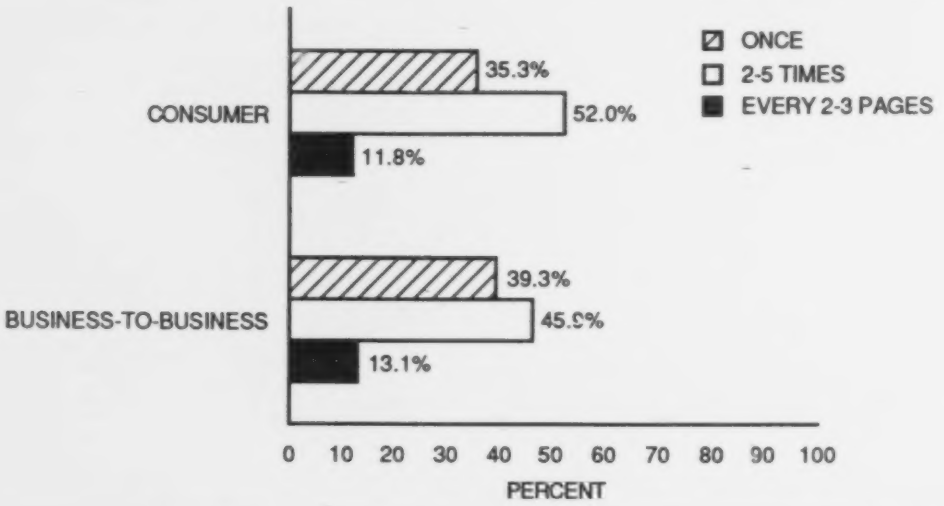
PERSONALIZATION IN CATALOGS



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

HOW OFTEN CATALOGERS STATE THEIR GUARANTEE IN THEIR CATALOGS

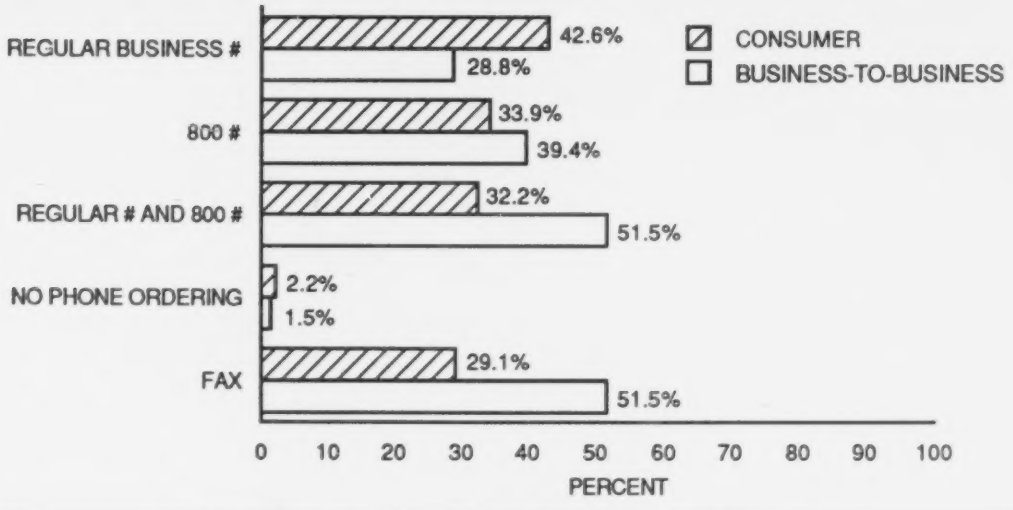
Of all consumer catalogers, 52.0% state their guarantee two to five times in their catalogs. Business-to-business marketers as a group report that 45.9% of them restate their guarantees two to five times.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

CATALOGERS WHO HAVE AN 800 NUMBER AND/OR A REGULAR BUSINESS PHONE NUMBER FOR ORDERING

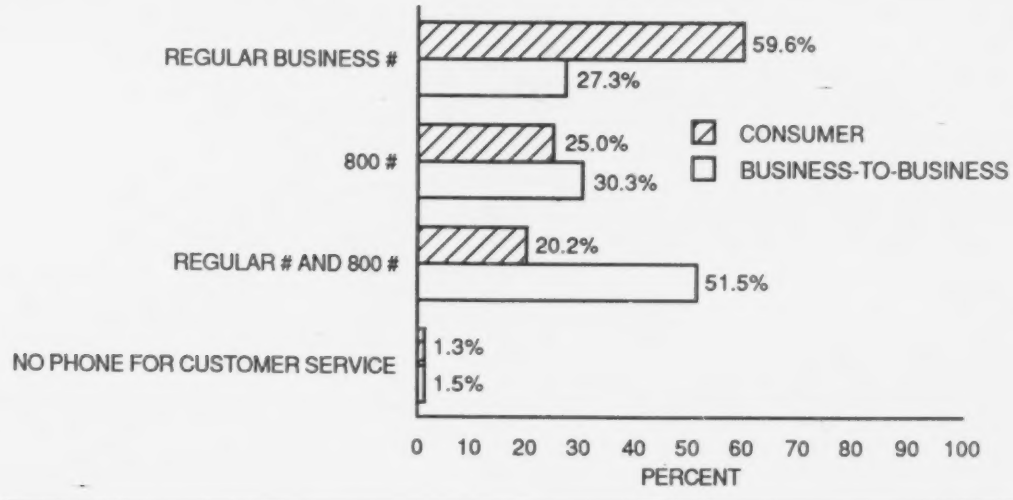
About 29% of consumer catalogers report that they offer fax ordering this year, compared to less than 1% in 1989. At the same time, business-to-business fax ordering has jumped from 3.4% to 51.5%.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

CATALOGERS WHO HAVE AN 800 NUMBER AND/OR A REGULAR BUSINESS PHONE NUMBER FOR CUSTOMER SERVICE

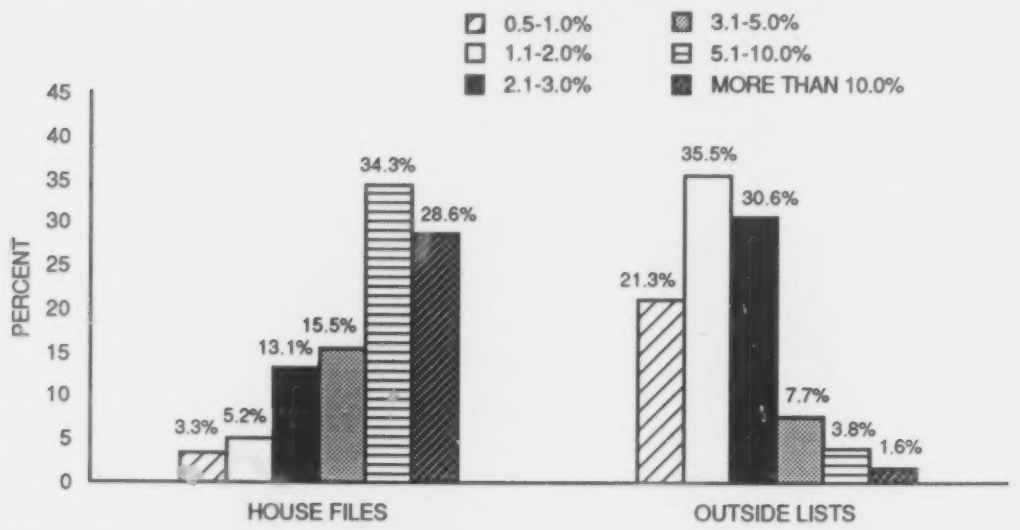
25% of consumer catalogers now offer toll-free customer service compared to only 12.4% in 1989. However, business-to-business catalogers who offer no phone for customer service has dropped significantly from 12.1% to 1.5% this year.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

AVERAGE RESPONSE RATES FROM HOUSE FILES AND/OR OUTSIDE LISTS
(Consumer Catalogs)

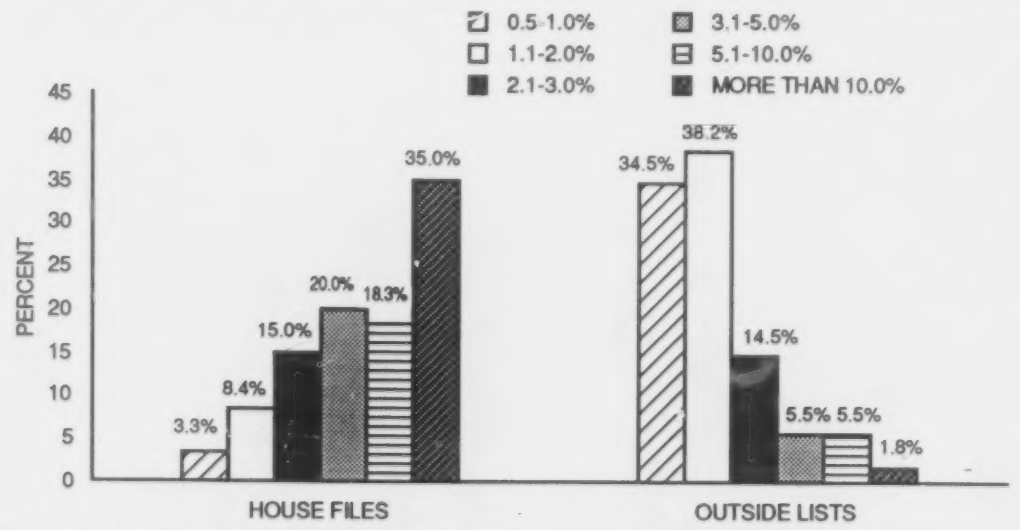
Responses tend to be much higher from already existing customers on catalogers house files.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

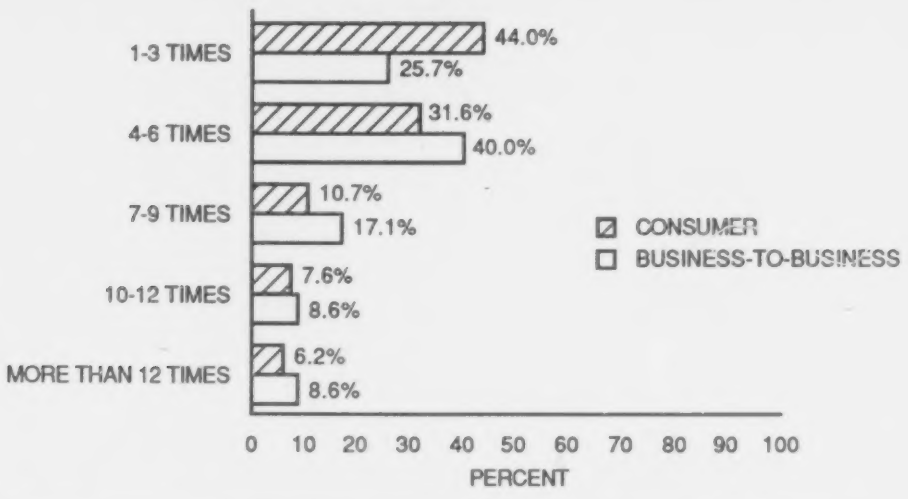
AVERAGE RESPONSE RATES FROM HOUSE FILES AND/OR OUTSIDE LISTS?
(Business Catalogs)

Responses tend to be much higher from already existing customers on catalogers house files.



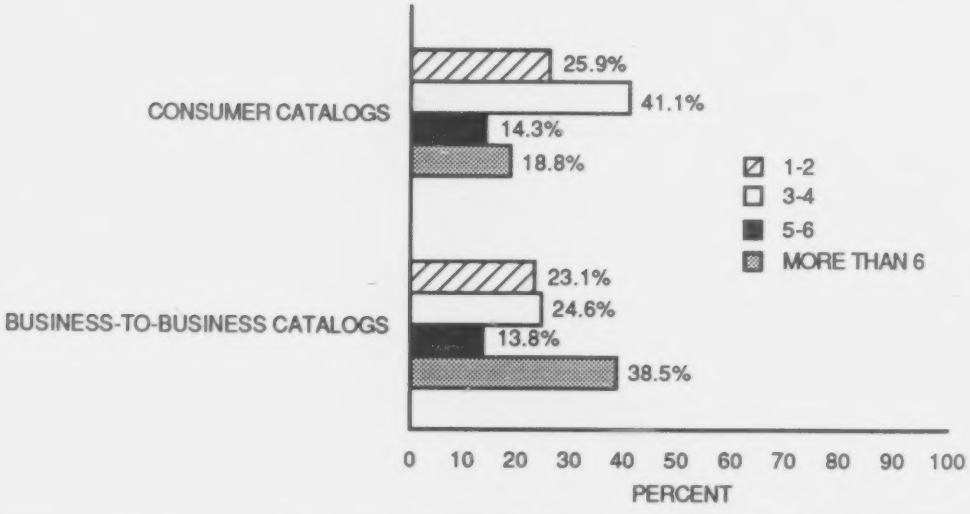
Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

NUMBER OF TIMES A YEAR CATALOGERS MAIL TO THEIR BEST CUSTOMERS



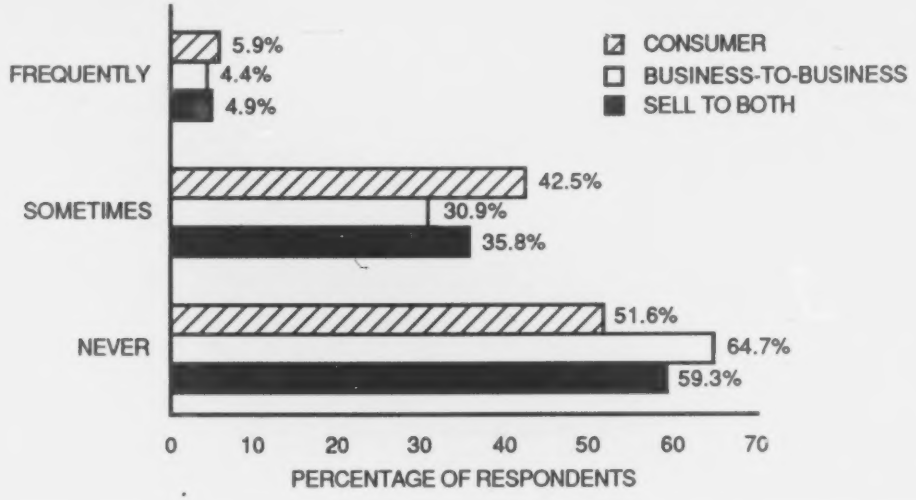
Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

NUMBER OF CATALOGS SENT TO A LEAD BEFORE CATALOGERS STOP MAILING



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

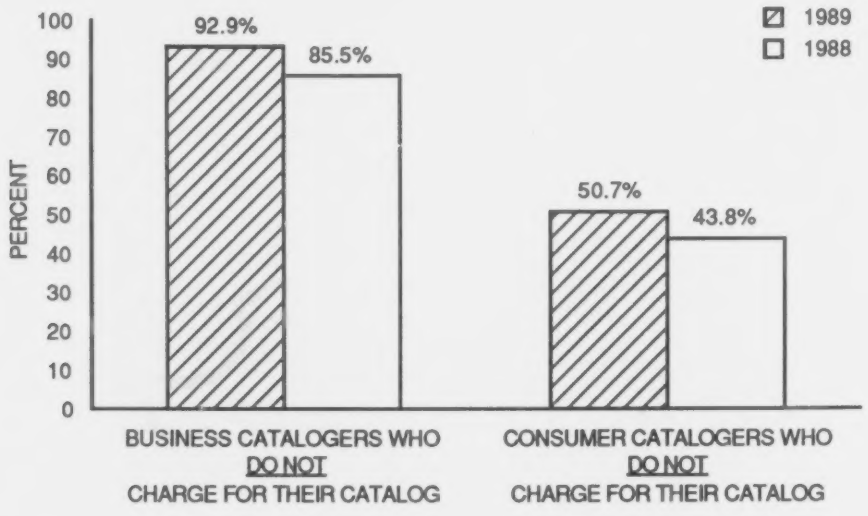
PERCENTAGE OF CATALOGERS MAILING SPECIAL SALE CATALOGS TO REDUCE INVENTORY



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

CATALOGERS WHO DO NOT CHARGE FOR THEIR CATALOG

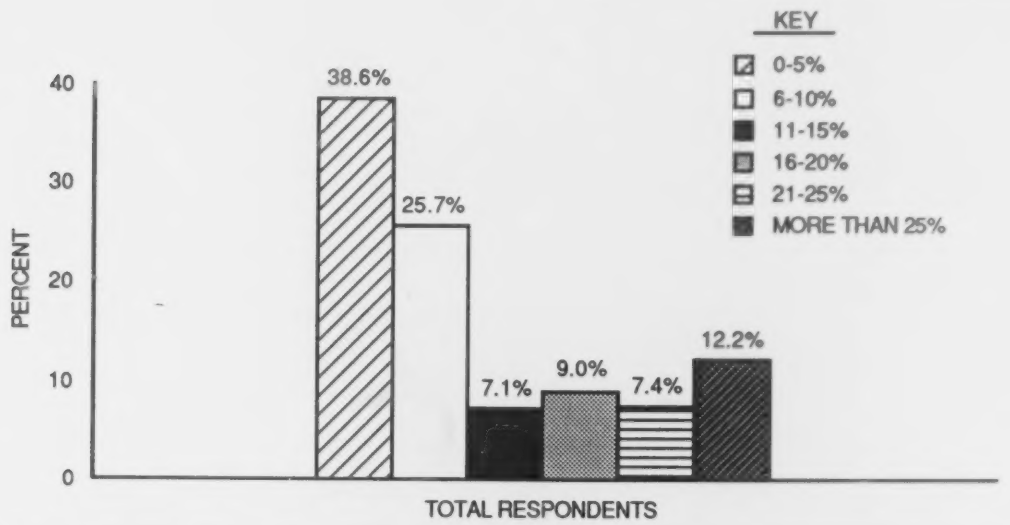
Qualifying leads by charging for catalogs is not widespread. Most business catalogers and half of all consumer catalogers *do not* charge for their catalogs.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989.

CONVERSION RATES FROM FREE CATALOGS

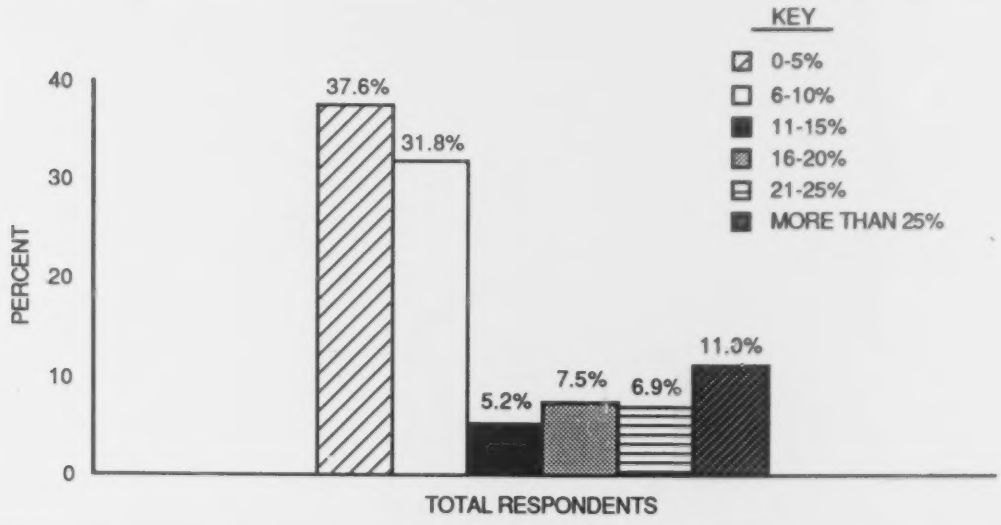
What percent, roughly, of your leads turn to buyers?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

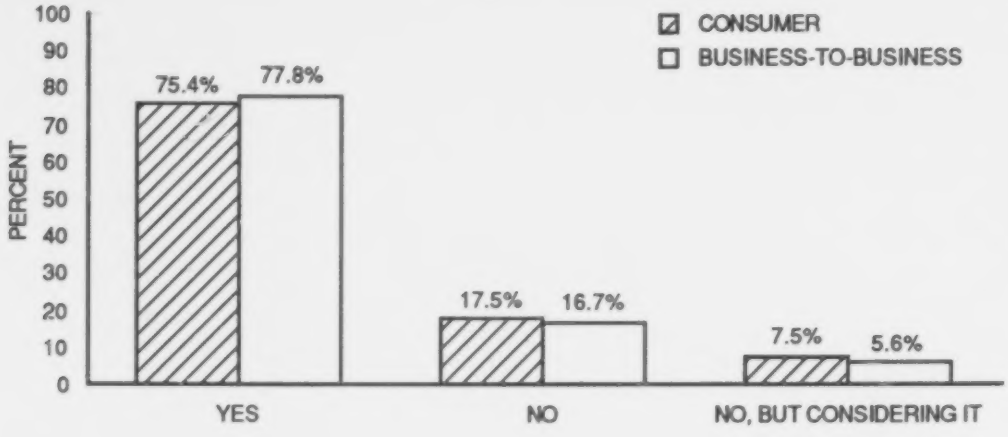
CONVERSION RATES FROM PAID CATALOGS

What percent, roughly, of your leads turn to buyers?



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

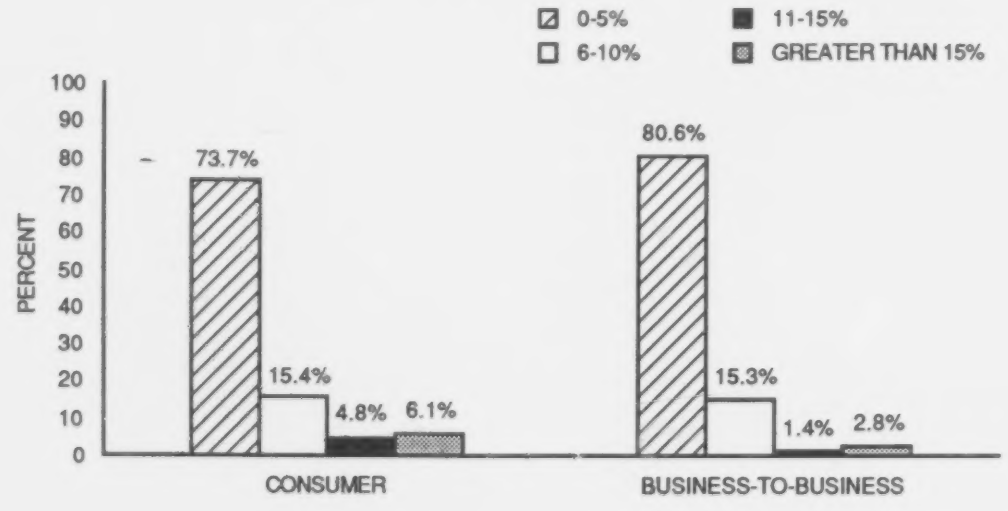
CATALOGERS WHO OFFER OVERNIGHT SHIPPING



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

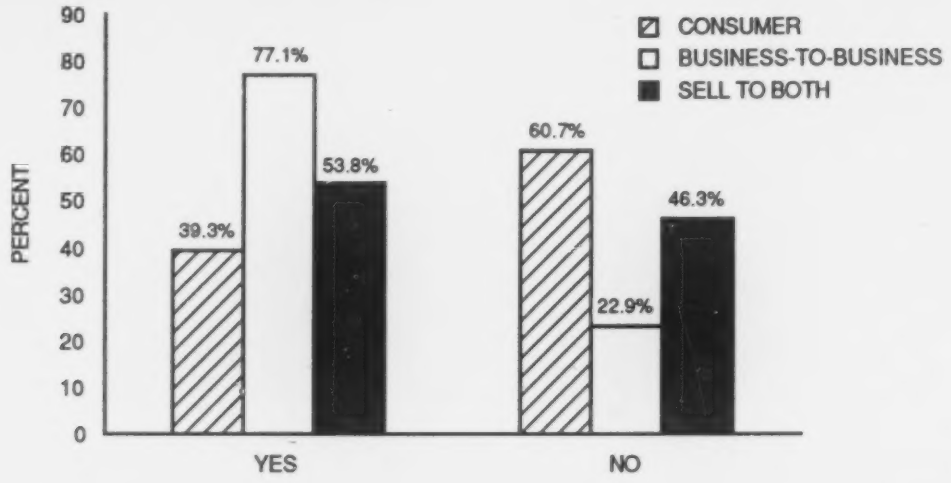
PERCENTAGE OF SHIPMENTS RETURNED

Most catalogers represented in the survey report that less than 5% of all their shipments are returned.



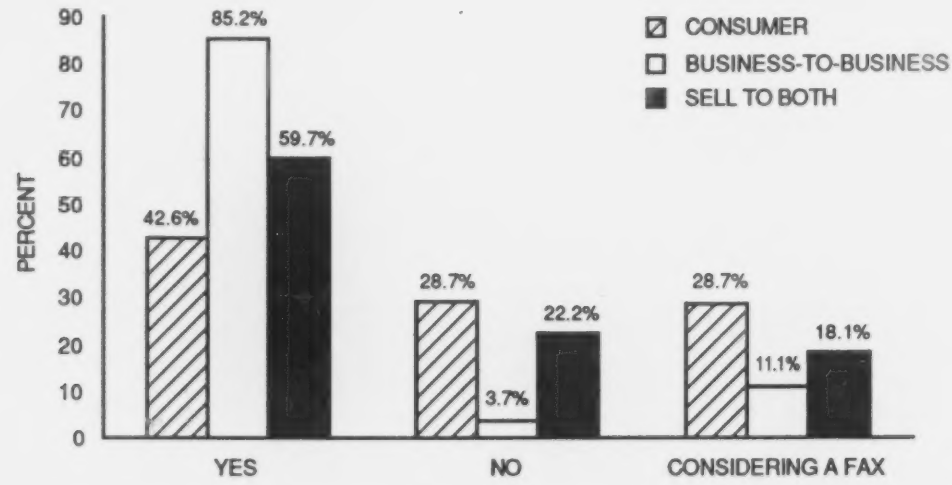
Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

PERCENTAGE OF CATALOGERS THAT HAVE BEGUN USING FAX TO TAKE ORDERS IN THE LAST 12 MONTHS



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

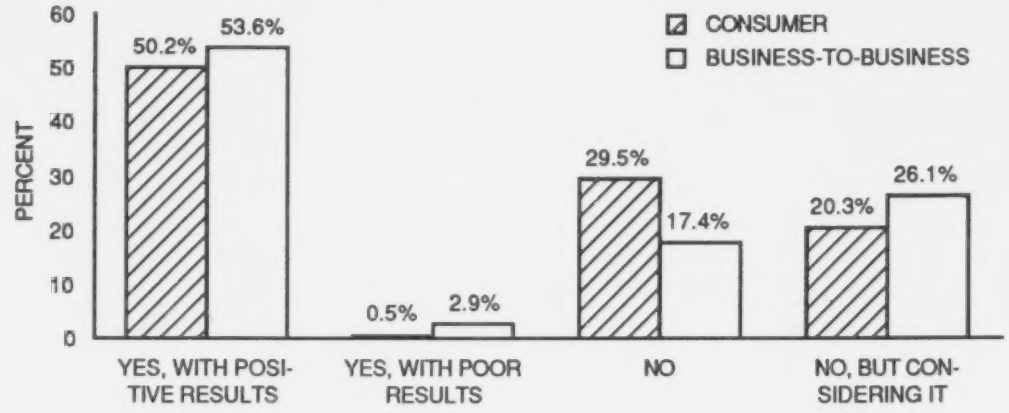
PERCENTAGE OF CATALOGERS THAT PLAN TO OFFER FAX ORDERING WITHIN THE NEXT 12 MONTHS



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

USE OF DESKTOP PUBLISHING IN THE CATALOG PRODUCTION PROCESS

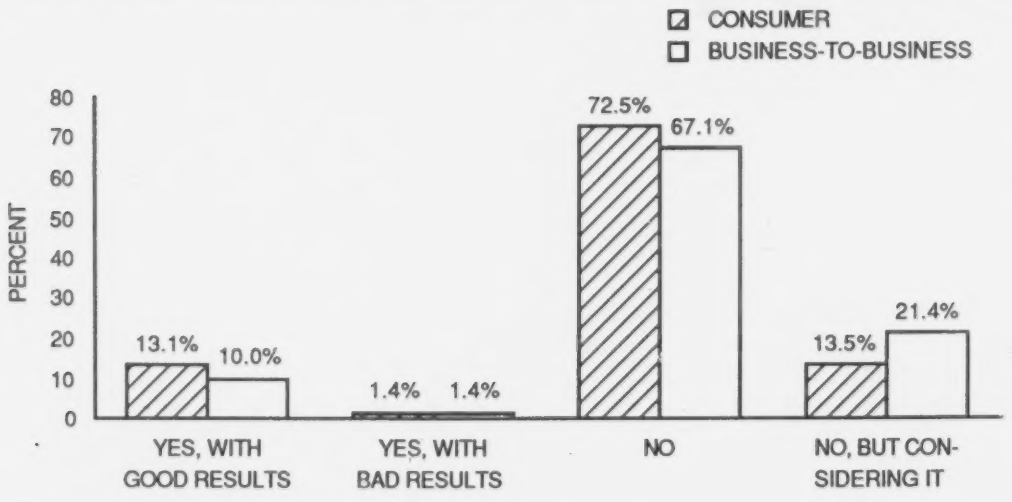
The percentage of respondents using Desktop Publishing with positive results has soared from 30% in 1987 to 40% in the 1988 report, and to 54.4% this year (54.4% represents combined consumer & business-to-business totals).



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

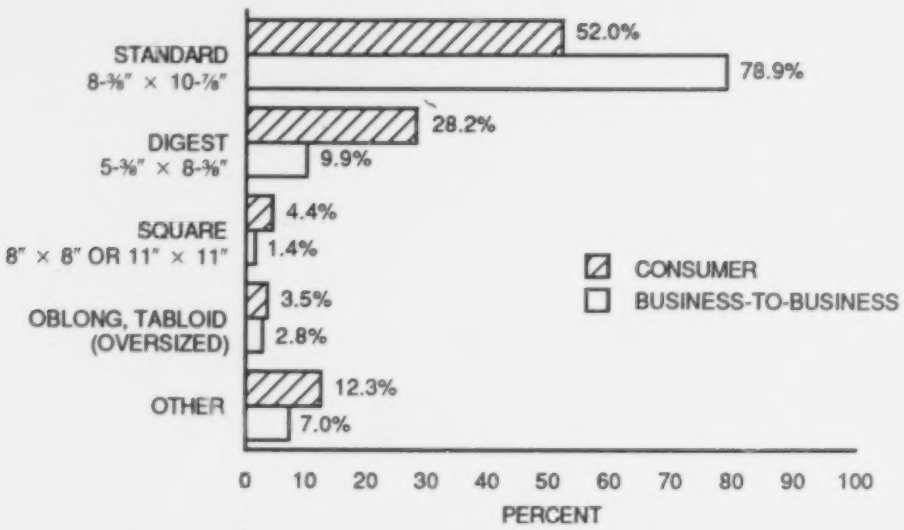
PERCENT OF CATALOGERS WHO HAVE TRIED SOME FORM OF SELECTIVE BINDING

Selective binding–a binding technique that selects and binds various publication segments into various finished products for different intended recipients in one binding run. This process was developed by R. R. Donnelley & Sons under the trademark name "Selectronic Gathering."



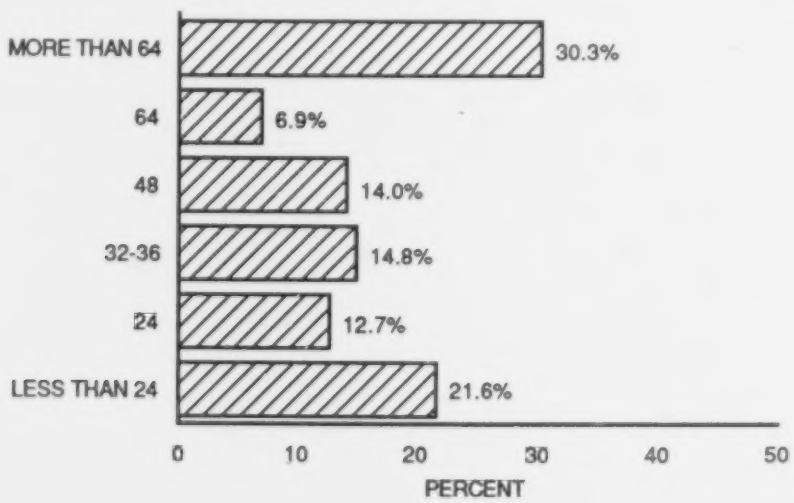
Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

SIZE OF PRIMARY CATALOG



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

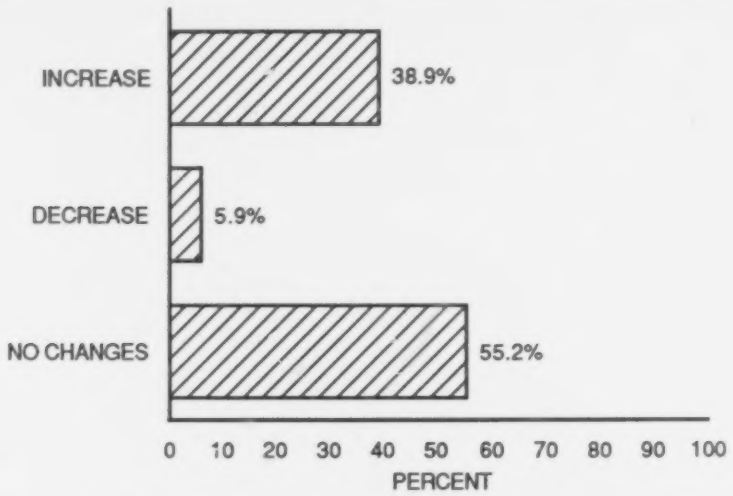
NUMBER OF PAGES IN PRIMARY CATALOG



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

CATALOGERS' PLANS TO INCREASE OR DECREASE THE NUMBER OF PAGES IN THEIR CATALOG

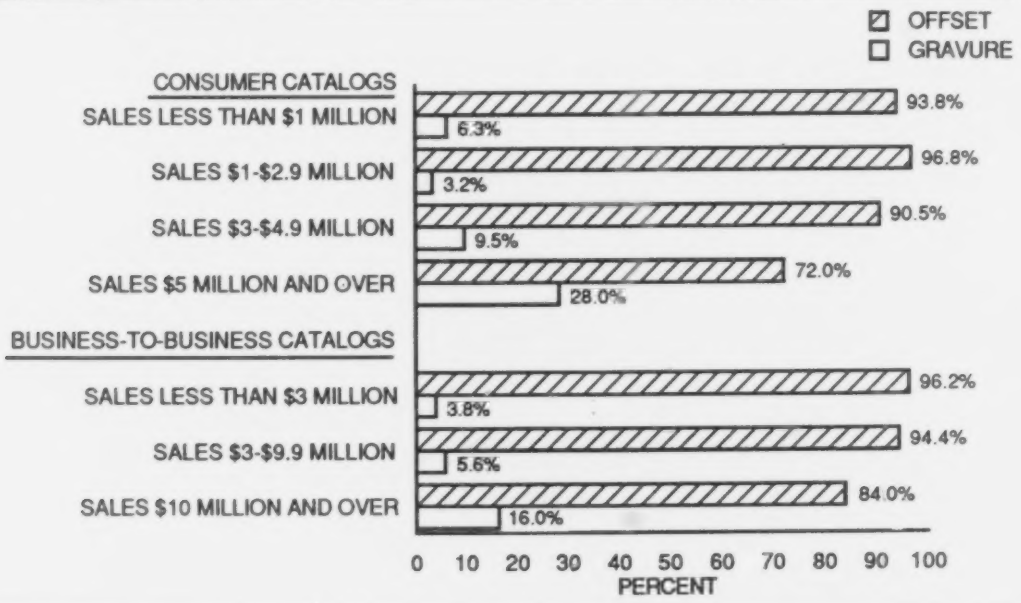
In 1989, catalogers again continued the conservative trend with regard to increasing their page numbers. Most respondents (55.2%) say they plan to make no changes in the coming year.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

OFFSET VS. GRAVURE CATALOG PRINTING

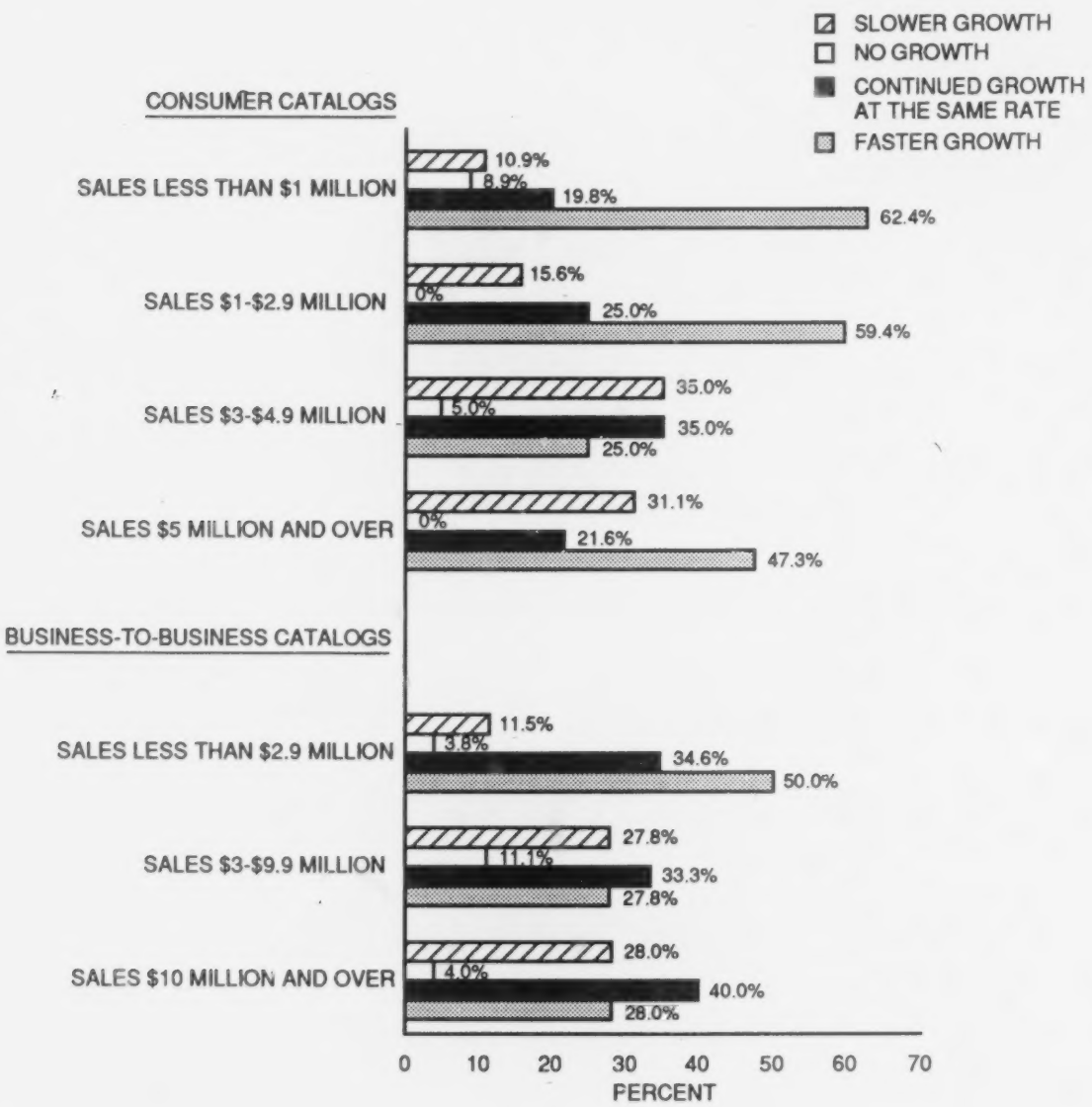
91.5% of business-to-business catalogers and 86.6% of consumer catalogers use offset.



Source: The CATALOG AGE Report. Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

GROWTH CATALOGERS PROJECT FOR THEIR COMPANY

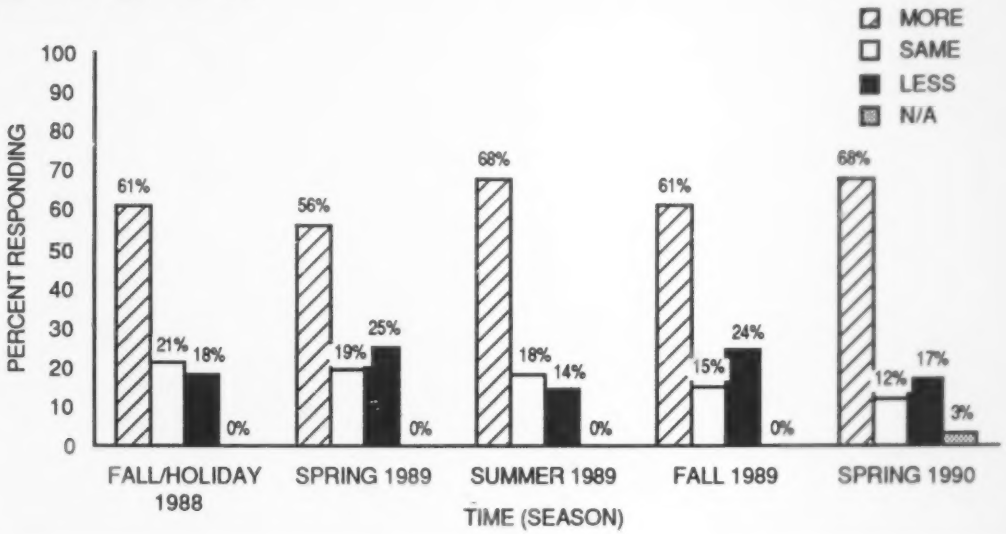
Small catalogers expect continued growth; large companies anticipate a slowdown.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1989

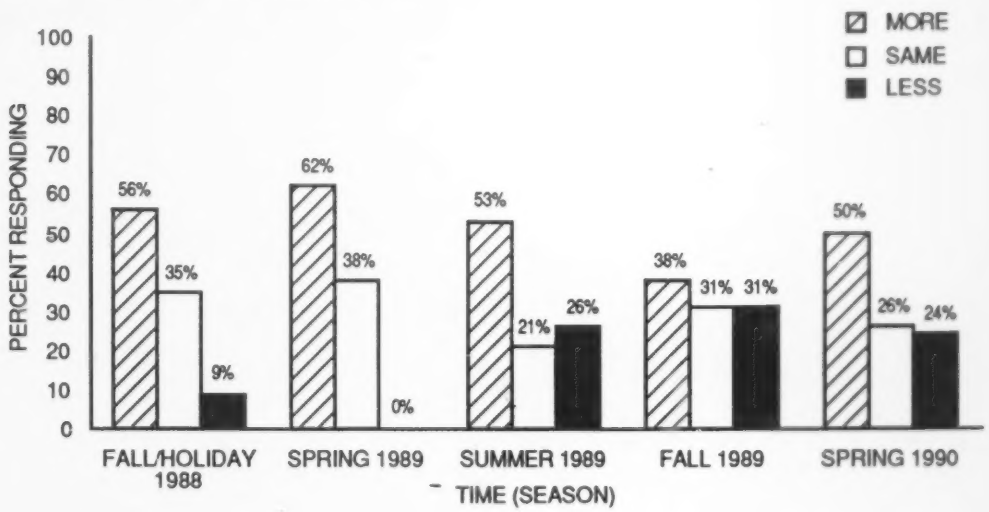
The Catalog Industry Trends Study is conducted three times per year by the DMA Research Department. It is designed to document trends within the catalog industry on a seasonal basis. The most recent survey was mailed in April, 1990 to 588 DMA Catalog members. A 21.5% response rate was achieved.

NUMBER OF CATALOGS MAILED THIS YEAR VERSUS ONE YEAR AGO
(CONSUMER CATALOGERS)



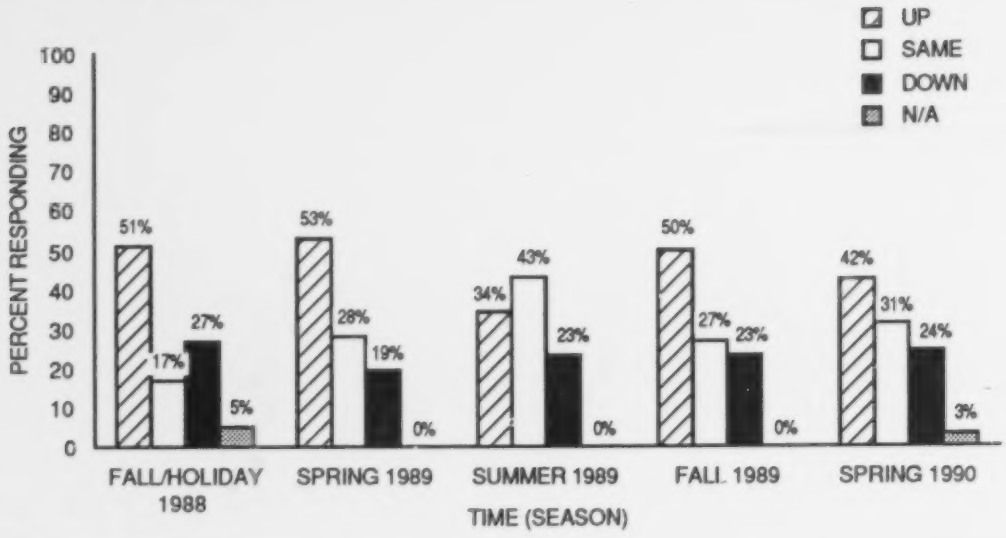
Source: DMA Research Department, Catalog Industry Trend Survey, 1990

NUMBER OF CATALOGS MAILED THIS YEAR VERSUS ONE YEAR AGO
(BUSINESS-TO-BUSINESS CATALOGERS)



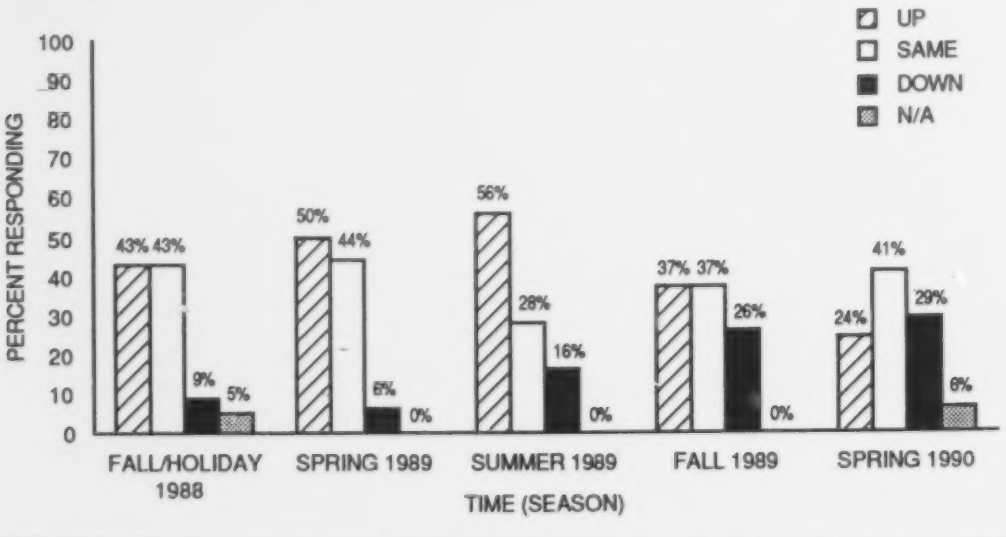
Source: DMA Research Department, Catalog Industry Trend Survey, 1990

RESPONSE RATES THIS YEAR VERSUS ONE YEAR AGO
(CONSUMER CATALOGERS)



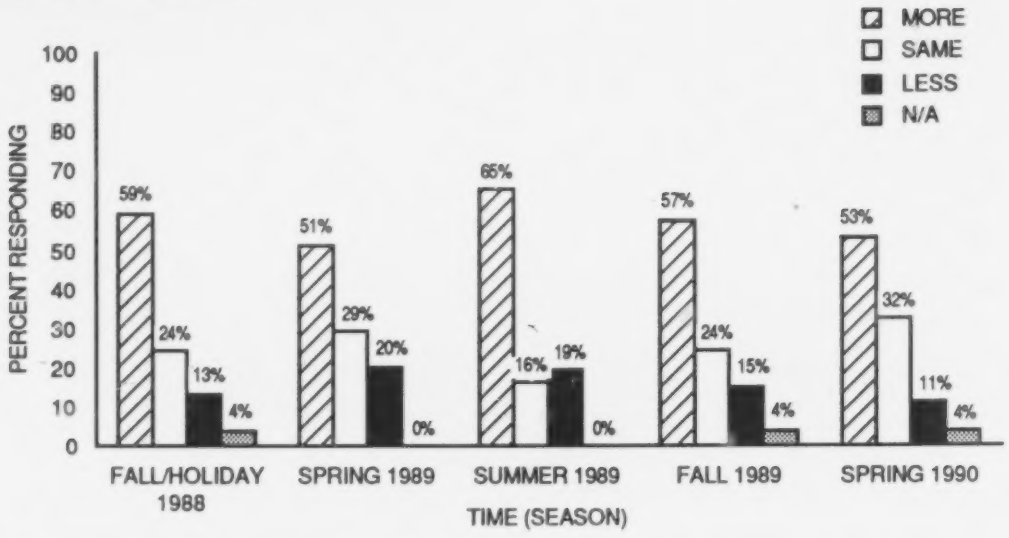
Source: DMA Research Department, Catalog Industry Trend Survey, 1990

RESPONSE RATES THIS YEAR VERSUS ONE YEAR AGO
(BUSINESS-TO-BUSINESS CATALOGERS)



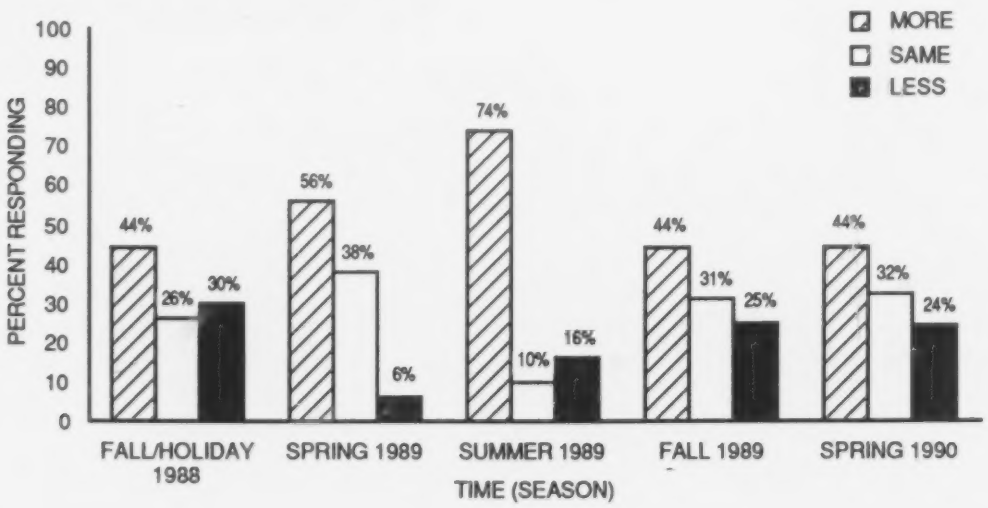
Source: DMA Research Department, Catalog Industry Trend Survey, 1990

NEXT SEASON'S PLANS TO MAIL
(CONSUMER CATALOGERS)



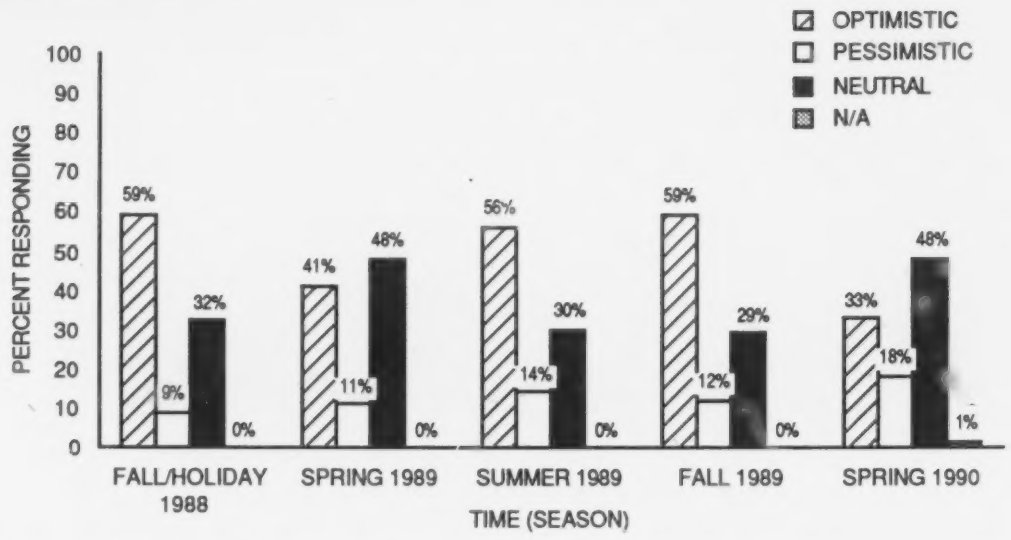
Source: DMA Research Department, Catalog Industry Trend Survey, 1990

NEXT SEASON'S PLANS TO MAIL
(BUSINESS-TO-BUSINESS CATALOGERS)



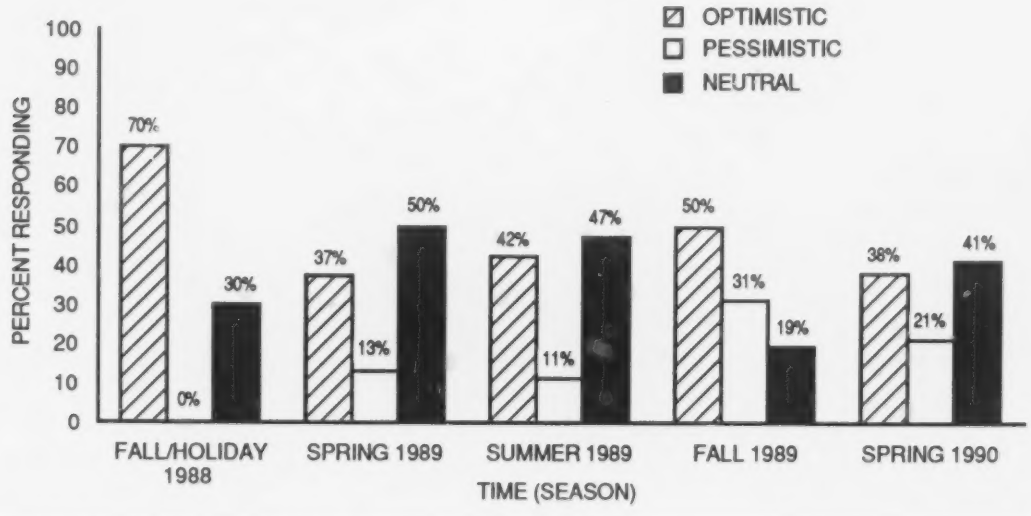
Source: DMA Research Department, Catalog Industry Trend Survey, 1990

NEXT SEASON'S OUTLOOK
(CONSUMER CATALOGERS)



Source: DMA Research Department, Catalog Industry Trend Survey, 1990

NEXT SEASON'S OUTLOOK
(BUSINESS-TO-BUSINESS CATALOGERS)



Source: DMA Research Department, Catalog Industry Trend Survey, 1990

CAP International administered an extensive survey in 1988 to 646 business sites, which were broken down by region and by size. The survey was conducted to determine which channels are used for procuring several sample products.

PERCENT OF COMPANIES ORDERING PAPER AND SUPPLIES THROUGH A CATALOG BY REGION
(% OF SITES)

Items Ordered	Region					
	North East	South East	North Central	Pacific	Mountain/ Plain	All Regions
Total:	23%	15%	30%	24%	14%	21%
Printer Supplies	14%	11%	17%	18%	11%	14%
Copier Paper	11%	4%	12%	8%	4%	8%
Copier Supplies	8%	5%	11%	6%	4%	7%
Continuous Paper	8%	7%	7%	3%	4%	6%
Cut-sheet Paper	5%	2%	6%	3%	2%	3%

Note: Multiple Responses Permitted

Source: CAP International, 1988

SOURCE FOR COMPANIES WHO PURCHASE PAPER AND SUPPLIES FROM CATALOGS BY SITE SIZE
(PERCENTAGE OF SITES)

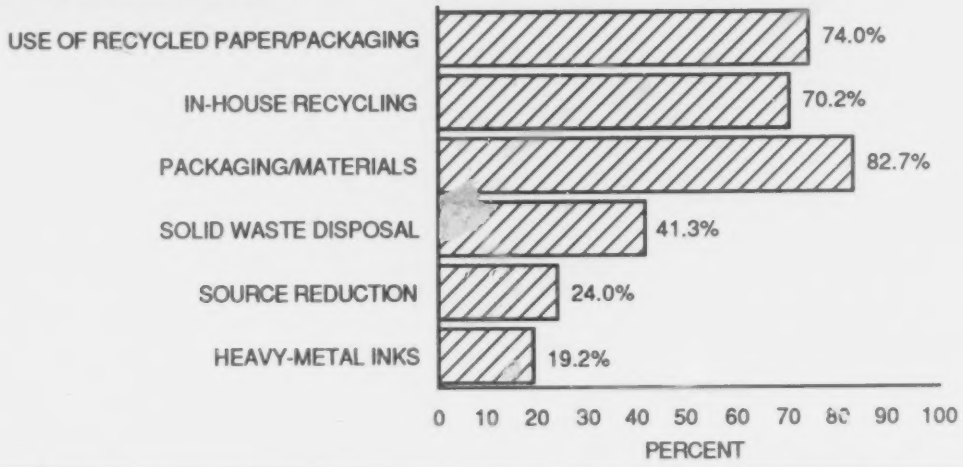
Catalogs	Number of Employees						
	Less than 10	10–19	20–99	100–249	250–499	500+	All
Quill	28	33	19	12	0	5	17
Reliable	6	22	21	8	5	11	12
Viking	9	11	19	0	5	0	8
Inmac	3	6	6	8	10	11	7
Visible	0	0	3	8	19	0	5
Xerox	6	0	3	0	14	5	5
Global Office	0	0	6	8	5	5	4
IBM	0	0	3	4	10	11	4
Boise Cascade	0	0	3	4	0	16	3
HP	0	0	3	4	10	5	3
Moore	3	6	3	0	5	5	3
NEBS	6	0	6	4	0	0	3
Uarco	0	0	3	4	14	0	3
Eastman	3	0	3	4	0	5	3
Drawing Board	0	6	0	4	0	0	1
Spectrum	0	0	0	0	0	11	1
Buschart Office	0	0	3	4	0	0	1
Businessland	0	0	0	0	5	5	1
Delux	3	0	0	4	0	0	1
Power Up	0	6	3	0	0	0	1
Assorted Office Catalogs	6	11	16	16	29	21	16
Other	31	17	13	32	24	21	23
Unspecified	6	0	3	0	5	0	3

Note: Multiple Responsss Permitted

Source: CAP International, 1988

In March, 1990, the Direct Marketing Association formed an industry Task Force on Environmental Issues in order to identify ways in which direct marketers can support environmentally-sound practices. The following charts are taken from a study that was designed to determine DMA voting members' awareness of environmental questions as they relate to their business. In May, 1990, a questionnaire was sent to 2,881 DMA voting members. A 20.6% response rate was achieved.

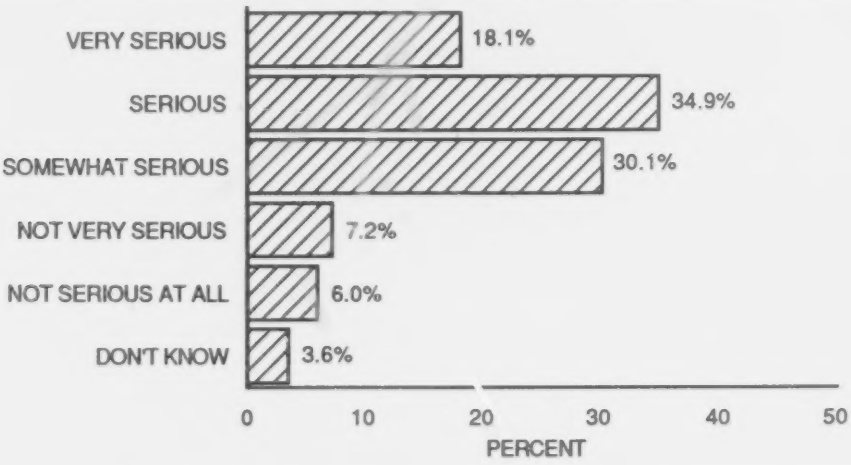
ENVIRONMENTAL ISSUES RELATING DIRECTLY TO CONSUMER CATALOGERS' BUSINESS



Source: DMA Environmental Task Force/DMA Research Department, 1990

SERIOUSNESS OF ENVIRONMENTAL ISSUES AFFECTING CONSUMER CATALOGERS' BUSINESS

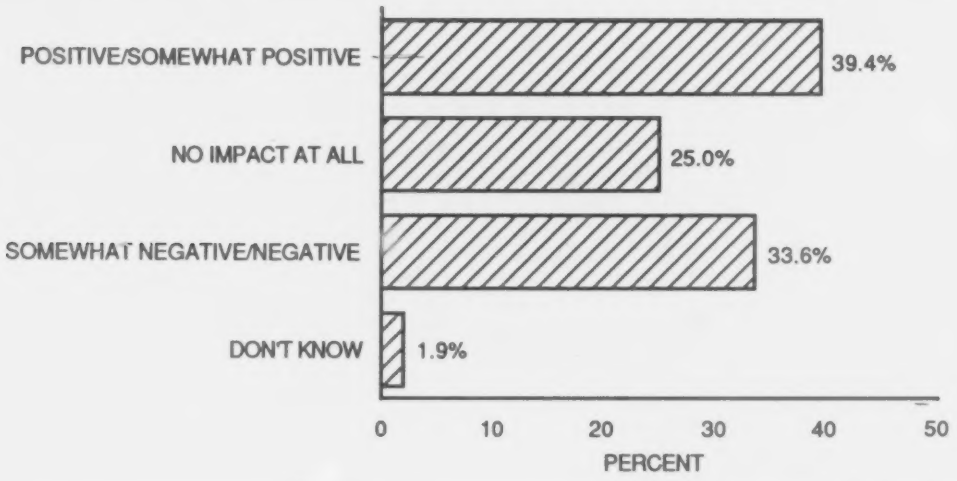
Respondents who indicated that environmental issues represent specific business questions affecting their organization were asked to rate how serious they consider these issue to be. More than half (53.0%) consider environmental issues to be "very serious" or "serious" to their business.



Source: DMA Environmental Task Force/DMA Research Department, 1990

CONSUMER CATALOGERS' PERCEIVED IMPACT ON ENVIRONMENTAL ISSUES

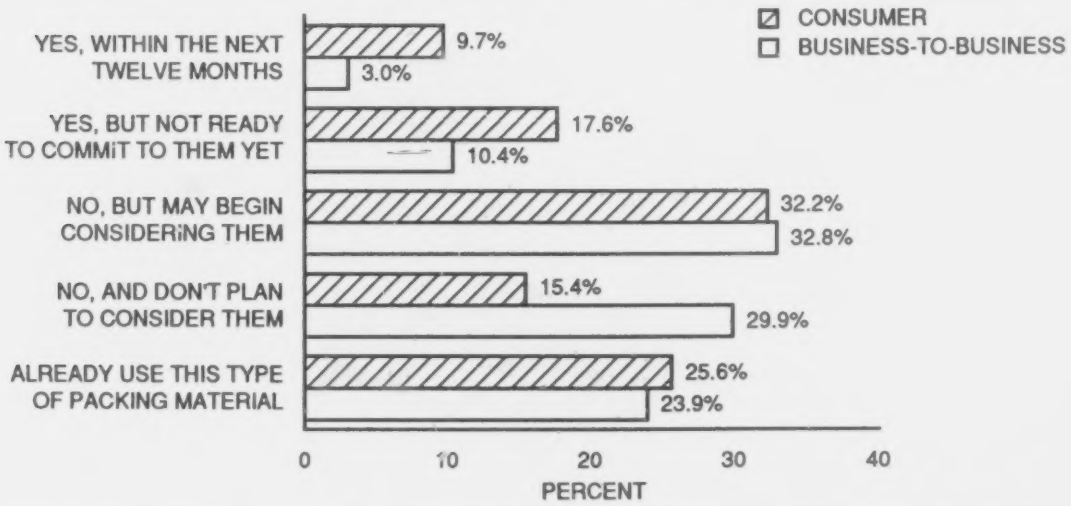
Consumer catalogers were asked to indicate the overall impact they believe their organization has on environmental problems.



Source: DMA Environmental Task Force/DMA Research Department, 1990

PERCENTAGE OF CATALOGERS CONSIDERING SWITCHING TO BIODEGRADABLE PACKING MATERIAL

With much environmental concern 25.6% of consumer catalogers (base total 375) use biodegradable packing material.



Source: The CATALOG AGE Report, Developed by CATALOG AGE and David Shepard Associates, Inc., compiled in 1 '89

• TELEPHONE

CONSUMER ATTITUDES

BUYING HABITS

COSTS

TRENDS

PROJECTIONS

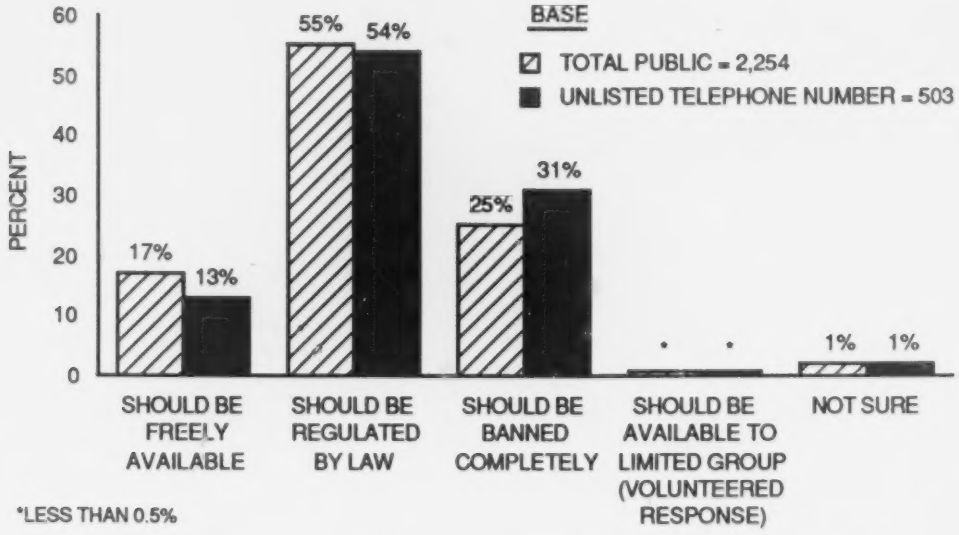
The following charts are taken from the *Equifax Report on Consumers in the Information Age*, a national opinion study exploring public and leadership experiences with, and attitudes toward the use of personal information in a wide variety of contexts. The survey, consisting mainly of interviews conducted with a cross section of 2,254 Americans eighteen years of age and older, was conducted in early 1990.

Consumer's Sentiments on Whether Telephone Companies Should Be Allowed to Sell Caller ID

	Total Public	Yes, Should Be Allowed To Sell %	No, Shouldn't Be Allowed To Sell %	Not Sure %
Base	2,254	55	43	2
Sex				
Male	1,082	60	38	2
Female	1,172	50	48	2
Unlisted Telephone	487	51	47	2

Source: Equifax, Inc., The Equifax Report on Consumers in the Information Age, 1990

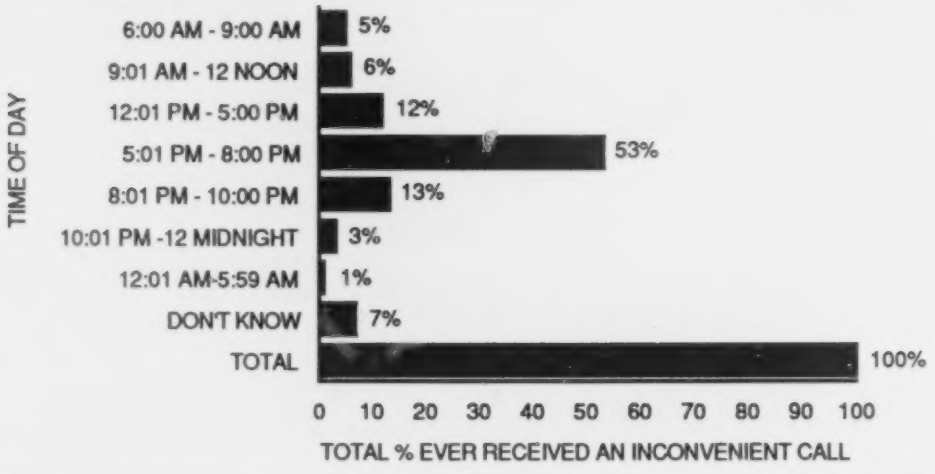
CONSUMER'S SENTIMENTS REGARDING CALLER ID



Source: Equifax, Inc., The Equifax Report on Consumers in the Information Age, 1990

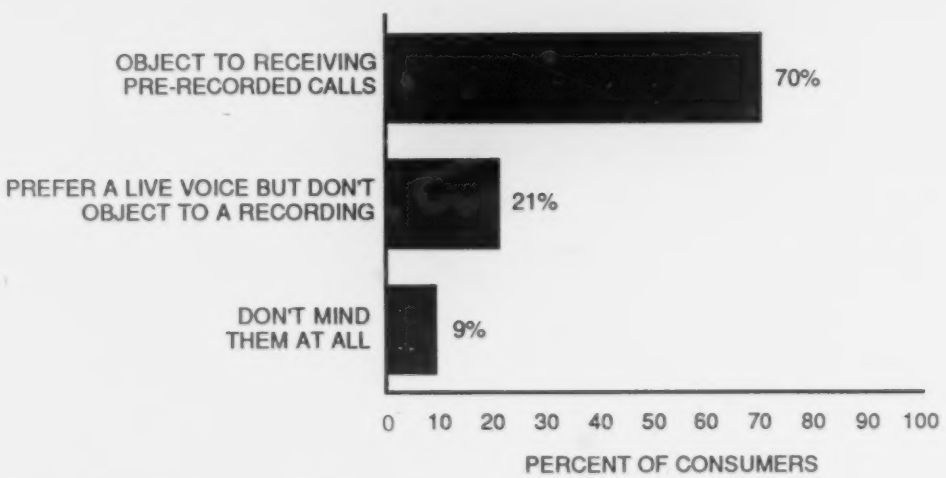
WHEN NOT TO CALL

The Gallup Organization's in-depth study of the Future of Direct Marketing was conducted by telephone interviews during a twelve month span during calendar year 1987. Approximately 1,000 consumers were interviewed each month, generating over 12,000 respondents. The study focused on consumer behavior regarding catalogs and other mail order advertising, consumer attitudes for purchasing by direct response media and consumer motivations for purchasing by direct response media.



Source: Gallup Organization, July 1987

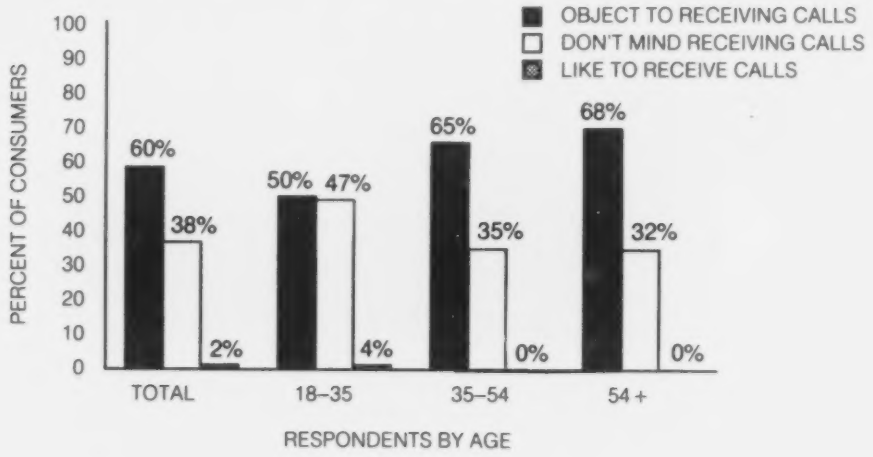
CONSUMER ATTITUDES TOWARD RECEIVING PRE-RECORDED CALLS


OBJECT TO RECEIVING PRE-RECORDED CALLS
70%
PREFER A LIVE VOICE BUT DON'T OBJECT TO A RECORDING
21%
DON'T MIND THEM AT ALL
9%
0 10 20 30 40 50 60 70 80 90 100
PERCENT OF CONSUMERS

Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

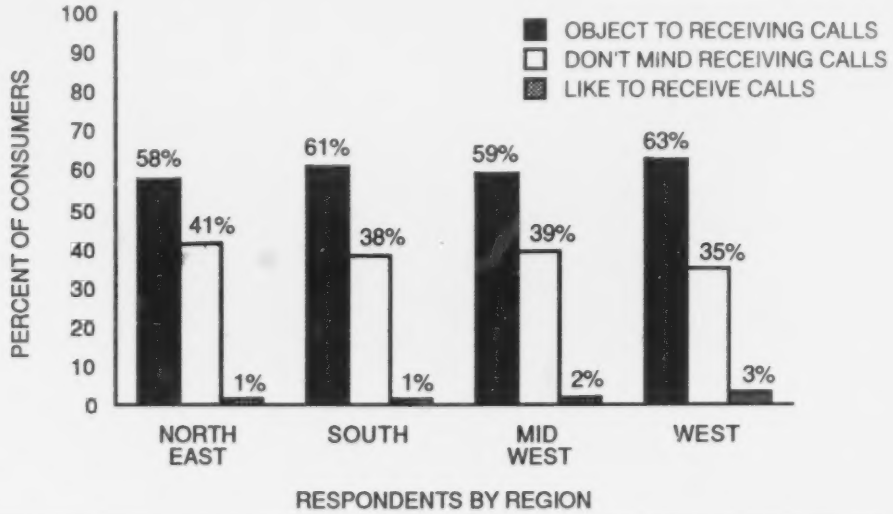
CONSUMER ATTITUDES TOWARD TELEMARKETING
BY AGE

Schlenker Research Services Report on The Current Use and Anticipated Growth of Telemarketing in American Business was conducted by Telephone interview in 3 separate studies.
The In-House Operation Study was among 707 companies.
The Service Bureau Study was among 64 companies.
The Consumer Attitudes Study was among 600 consumers.
All parts were conducted in June 1987.



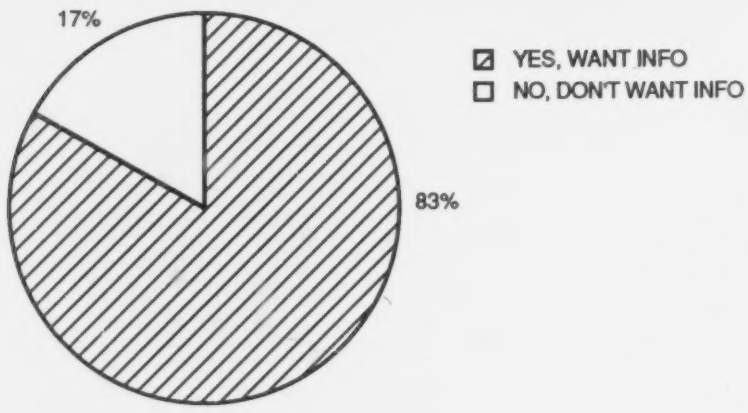
Source: Schlenker Research Services, "Telemarketing Intelligence," 1987.

CONSUMER ATTITUDES TOWARD TELEMARKETING
BY REGION



Source: Schlenker Research Services, "Telemarketing Intelligence," 1987.

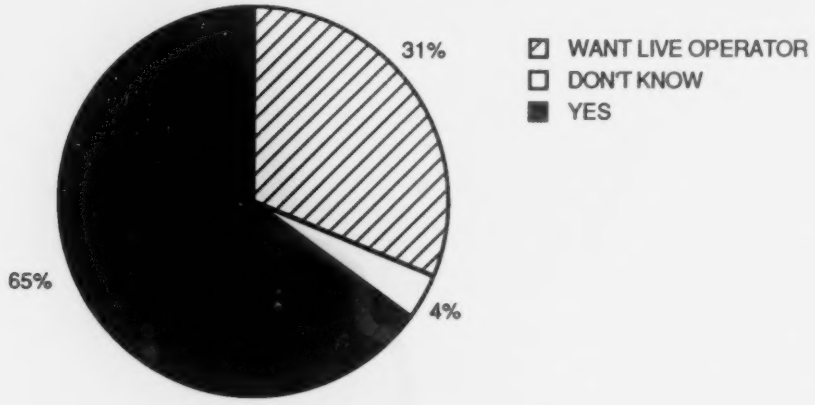
CUSTOMERS' INTEREST IN RECEIVING INFORMATION BY TELEPHONE



Source: Automated Call Processing Corp /International Communications Research, 1988

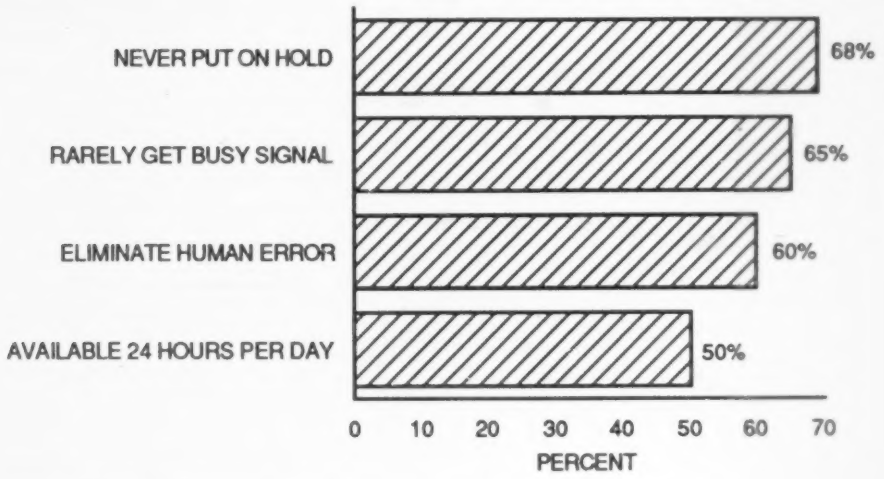
PERCENTAGE OF CUSTOMERS WHO PREFER GETTING INFORMATION OVER THE TELEPHONE FROM AN AUTOMATED SYSTEM

This survey was conducted in June, 1988 by International Communications Research in conjunction with Automated Call Processing Corporation. 2,000 U.S. households were contacted randomly by telephone and asked their opinions on automated voice response systems.



Source: Automated Call Processing Corp /International Communications Research, 1988

TOP FOUR REASONS CUSTOMERS PREFER AUTOMATED CALL PROCESSING TO LIVE OPERATORS



Source: Automated Call Processing Corp./International Communications Research, 1988

TOTAL POPULATION ORDERING BY TELEPHONE

The 1989 Study of Media and Markets is a syndicated study based on a stratified multistage area probability sample of 19,373 adults, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews. The statistics below represent consumers' responses to the *specific* instruction: Please mark any items listed below that you yourself ordered by mail and by phone in the last 12 months. 40 products and service categories were listed.

	1989 Total U.S. (100)	1989 Total U.S. Buyers (000)	% Any Product
Total Adults	178,193	40,037	22.5
Males	85,056	17,855	21.0
Females	93,136	22,183	23.8
18–24	25,713	5,389	21.0
25–34	43,283	11,298	26.1
35–44	34,804	9,552	27.4
45–54	23,902	5,846	24.5
55–64	21,733	4,195	19.3
65 or Older	28,756	3,758	13.1
Graduated College	32,799	9,958	30.4
Attended College	32,672	8,931	27.3
Graduated High School	70,684	15,594	22.1
Did Not Graduate High School	42,039	5,554	13.2
Professional/Manager	29,483	9,316	31.6
Tech/Clerical Sales	36,012	9,678	26.9
Precision/Craft	14,266	3,215	22.5
Other Employed	30,939	6,011	19.4
Single	38,354	8,217	21.4
Married	107,815	26,035	24.1
Divorced/Widowed/Separated	32,024	5,785	18.1
Parents	59,509	15,704	26.4
Northeast—Census	37,709	8,138	21.6
Midwest	43,858	11,505	26.2
South	61,120	13,371	21.9
West	35,505	7,024	19.8
Household Income			
$60,000 or More	19,957	6,002	30.1
$50,000 or More	31,697	9,656	30.5
$40,000 or More	53,998	16,657	30.8
$30,000 or More	83,793	24,855	29.7
$30,000–$39,999	29,795	8,198	27.5
$20,000–$29,999	34,040	6,538	19.2
$10,000–$19,999	38,419	5,962	15.5
Under $10,000	21,942	2,682	12.2
Household Size			
1 Person	22,006	3,587	16.3
2 People	57,453	12,159	21.2
3 or 4 People	71,838	18,310	25.5
5 or More People	26,896	5,981	22.2
Children			
No Children in Household	106,426	21,788	20.5
Children Under 2 Years	14,122	3,293	23.3
2–5 Years	26,410	6,581	24.9
6–11 Years	33,185	8,241	24.8
12–17 Years	33,008	8,263	25.0
Residence Owned	122,907	30,575	24.9
Value: $70,000 or More	60,160	16,924	28.1
Less than $70,000	62,747	13,652	21.8

Source: Simmons Market Research Bureau 1988, 1989 Study of Media and Markets

1990 TELEMARKETING SALARIES

Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in direct marketing at all salary levels, working from coast to coast; 3) Search assignments that were received, nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

Position Title And Description	Years Exp.	Base Salary Range (excluding benefits)			Leading Firms
TELEMARKETING DIRECTOR/Outbound: Complete marketing, strategic and operations responsibility for company's telephone sales.	1–3	$37,600	—	$43,800	$49,200
	4–7	$49,700	—	$57,800	$64,300
	7+	$61,300	—	$68,000	$74,700
TELEMARKETING MANAGER/Outbound: Manages department, its programs and personnel, integrating lists, scripts and marketing plans.	1–3	$31,300	—	$32,900	$35,000
	4–7	$33,800	—	$38,900	$43,200
	7+	$42,300	—	$49,000	$54,400
TELEMARKETING MANAGER/Inbound: Complete responsibility for equipment and integration order taking and/or customer service.	1–3	$24,600	—	$27,700	$32,500
	4–7	$31,200	—	$35,900	$39,800
	7+	$37,300	—	$41,900	$45,100
TELEMARKETING SUPERVISOR/Inbound: Oversees Telemarketing Sales Representatives in order taking and providing customer service.	1–3	$20,700	—	$21,400	$21,900
	4–7	$22,300	—	$23,700	$26,400
	7+	$24,200	—	$25,400	$28,900
TELEMARKETING TRAINER: Interviews, hires and trains Telemarketing Sales Representatives for continual quality control, and motivation.	1–3	$24,800	—	$27,200	$28,700
	4–7	$27,500	—	$31,000	$35,900
	7+	$34,300	—	$38,500	$40,400

Source: Crandall Associates, Inc., 1990

IN HOUSE OUTBOUND TELEMARKETING WORKSHEET

Outbound: 9:00 A.M. To 5:00 P.M.
MONTHLY EXPENSE STATEMENT

REPRESENTATIVE PHONE HOURS (1235) DIRECT EXPENSES	COST	COST/PHONE HOUR
A. LABOR		
MANAGER (1/3 TIME)	$ 1,500	$ 1.21
SUPERVISOR (FULL TIME)	3,000	2.43
REPRESENTATIVES (10 FULL TIME)	18,000	14.58
ADMINISTRATION (2 FULL TIME)	2,426	1.96
TAX AND FRINGE (1/3 OF WAGES)	14,095	11.41
INCENTIVES	17,400	14.09
SUBTOTAL	56,421	45.68
B. PHONE		
EQUIPMENT AND SERVICE LINES	350	0.28
*WATS	7,710	6.24
*MTS (MESSAGE TOLL SERVICE)	1,297	1.05
SUBTOTAL	9,357	7.57
C. AUTOMATION		
DEPRECIATION	3,542	2.87
MAINTENANCE	1,063	0.86
SUBTOTAL	4,605	3.73
D. OTHER		
LISTS	3,088	2.50
MAIL/CATALOGS	617	0.50
POSTAGE	309	0.25
MISCELLANEOUS	1,235	1.00
SUBTOTAL	5,249	4.25
TOTAL DIRECT	75,632	61.23
G&A (15%)	11,345	9.18
GRAND TOTAL	$86,977	$70.41

BASIS FOR EXPENSE STATEMENT:

LABOR

Manager:	Annual = $54,000 × ⅓ allocation = $1,500/month
Supervisor:	Annual = $36,000 at full allocation = $3,000/month
Representatives:	$8.65/hour × 40 hours/week x 52 weeks full allocation = $1,800/month 6.5 phone hours/day × 19 days/month = 123.5 phone hours/month
Administration:	$7.00/hour × 40 hours/week × 52 weeks full allocation = $1,213/month
Tax and Fringe:	33.3% of wages (including contest incentives)
Incentives:	Reps—40% of total Renumeration Supervisor—15% of Total Renumeration

PHONE

WATS (800) =	Average 25 minutes/labor hour Interstate WATS Connect Time: 25 min × .24/min, average cost plus 10 lines' access charges
MTS (Message Toll Service) =	5 minutes/labor hour connect time 5 minutes × .21/min

COMPUTATIONS

1. @ 12 TDs (total dialings)/rep phone hour costs $5.87/dial
2. @ 15 TDs/hour = $4.70/dial
3. @ 5 DMCs (decision-maker contacts) per phone hour cost $14.09/DMC
4. @ 6 DMCs per phone hour cost $11.74/DMC
5. @ 1 Order/rep phone hour = $70.43 per order
6. @ 3 Orders/rep phone hour = $23.48 per order

Source: Successful Telemarketing, Bob Stone & John Wyman, published by National Textbook, 1986. Statistics updated in 1990. Information developed by Rudy Oetting.

IN HOUSE INBOUND TELEMARKETING WORKSHEET

Inbound: 9:00 A.M. To 5:00 P.M.
MONTHLY EXPENSE STATEMENT

REPRESENTATIVE PHONE HOURS (1235) DIRECT EXPENSES	COST	COST/PHONE HOUR
A. LABOR		
MANAGER (1/3 TIME)	$ 1,250	$ 1.01
SUPERVISOR (FULL/TIME)	2,750	2.23
REPRESENTATIVES (10 FULL TIME)	16,000	12.95
ADMINISTRATION (2 FULL TIME)	1,213	0.98
TAX AND FRINGE (1/3 OF WAGES)	7,064	5.72
INCENTIVES	2,000	1.62
SUBTOTAL	30,277	24.51
B. PHONE		
EQUIPMENT AND SERVICE LINES	1,489	1.21
*WATS	10,240	8.29
*MTS (MESSAGE TOLL SERVICE)	–	—
SUBTOTAL	11,729	9.50
C. AUTOMATION		
DEPRECIATION	-2,500	2.02
MAINTENANCE	750	0.61
SUBTOTAL	3,250	2.63
D. OTHER		
LISTS	—	—
MAIL/CATALOGS	2,470	1.00
POSTAGE	1,235	0.50
MISCELLANEOUS	1,000	0.81
SUBTOTAL	4,705	2.31
TOTAL DIRECT	49,961	38.95
G&A (15%)	7,494	5.84
GRAND TOTAL	$57,455	$44.79

BASIS FOR EXPENSE STATEMENT:

LABOR

Manager:	Annual = $45,000 × ⅓ allocation = $1,250/month
Supervisor:	Annual = $33,000 at full allocation = $2,750/month
Representatives:	$9.23/hour × 40 hours/week x 52 weeks full allocation = $1,600/month 6.5 phone hours/day × 19 days/month = 123.5 phone hours/month
Administration:	$ 00/hour × 40 hours/week × 52 weeks full allocation = $1,213/month
Tax and Fringe:	33.3% of wages (including contest incentives)
Incentives:	Reps only = $2,000/month

PHONE

ACD + Sets	$65,000 depreciated over 5 years plus $4,875 annual maintenance
WATS (800) =	Average 40 minutes (66%) /labor hour WATS Connect Time: 40 min × 20/min, average cost plus 10 lines' access charges

AUTOMATION $6,000 per workstation for 15 stations (additional for growth) depreciated over 3 years plus annual maintenance, equivalent to 10% of total purchase cost.

NOTE

The average number of calls per rep phone hour is 12 @ 2.3 minutes each. During peaks, it can be as many as 15 per phone hour.

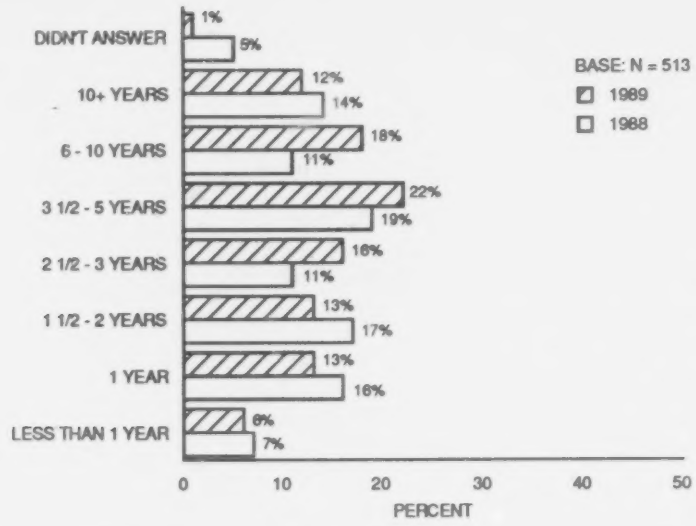
COMPUTATIONS

1. @ 12 calls/hour = $3.88/call
2. @ 15 calls/hour = $3.10/call
3. @ 1 Order/rep phone hour = $46.52 per order
4. @ 6 Orders/rep phone hour = $7.85 per order

Source: Successful Telemarketing, Bob Stone & John Wyman, published by National Textbook, 1986. Statistics updated in 1990. Information developed by Rudy Oetting.

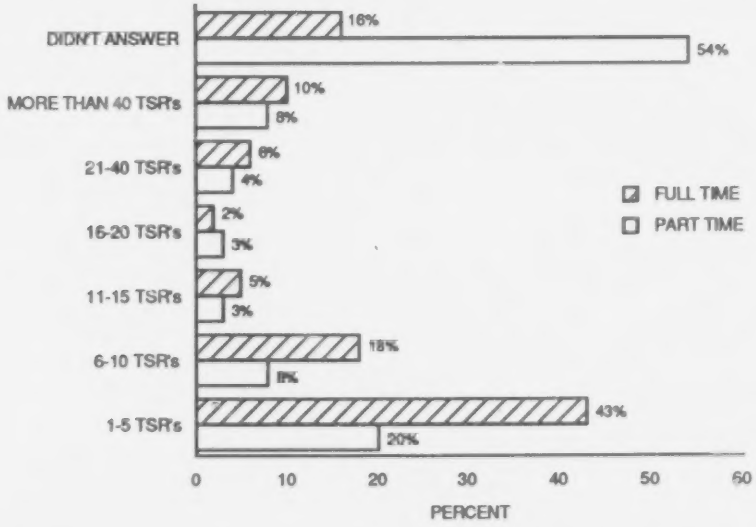
The Seventh Annual Telemarketing Compensation Update was conducted in May 1989 by mail among 6,000 randomly selected Telemarketing magazine subscribers. An 8.55% response rate was achieved. The main purpose of this study is to present some comprehensive comparisons of compensation practices over the last five years.

NUMBER OF YEARS RESPONDENT COMPANIES HAVE CONDUCTED TELEMARKETING



Source: Telemarketing Magazine, November 1989

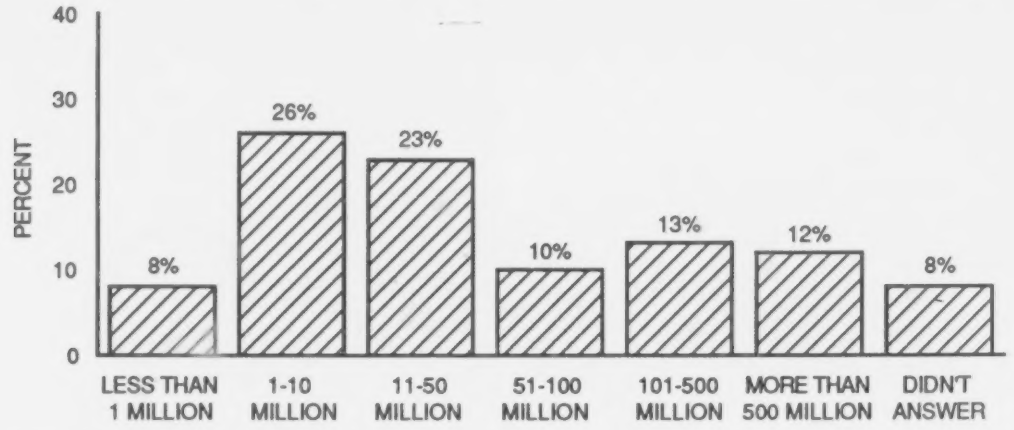
NUMBER OF EMPLOYEES OF TELEMARKETING CENTERS



Source: Telemarketing Magazine, November 1989

ANNUAL SALES VOLUME OF TELEMARKETING COMPANIES

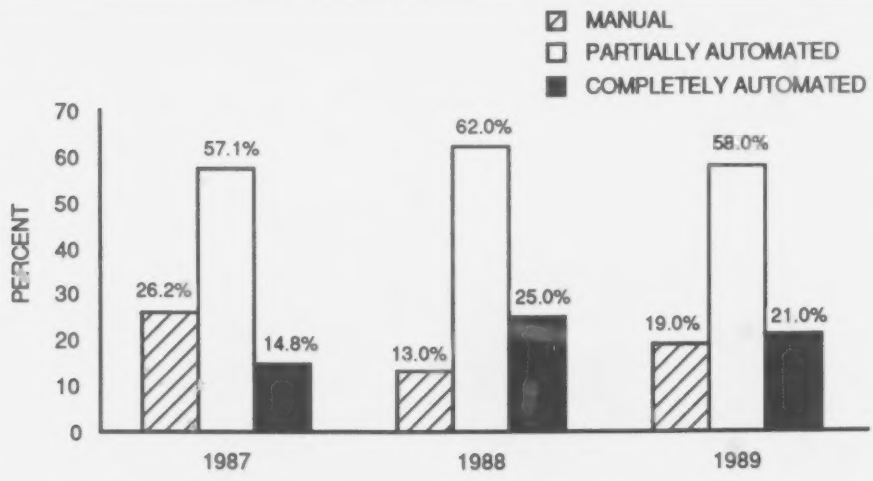
The Seventh Annual Telemarketing Compensation Update was conducted in May 1989 by mail among 6,000 randomly selected Telemarketing Magazine subscribers. An 8.55 percent response rate was achieved. The study is designed to give a better idea of compensation practices and the demographic breakdown of the telemarketing industry.



Source: Telemarketing Magazine, November 1989

DEGREES OF TELEMARKETING AUTOMATION

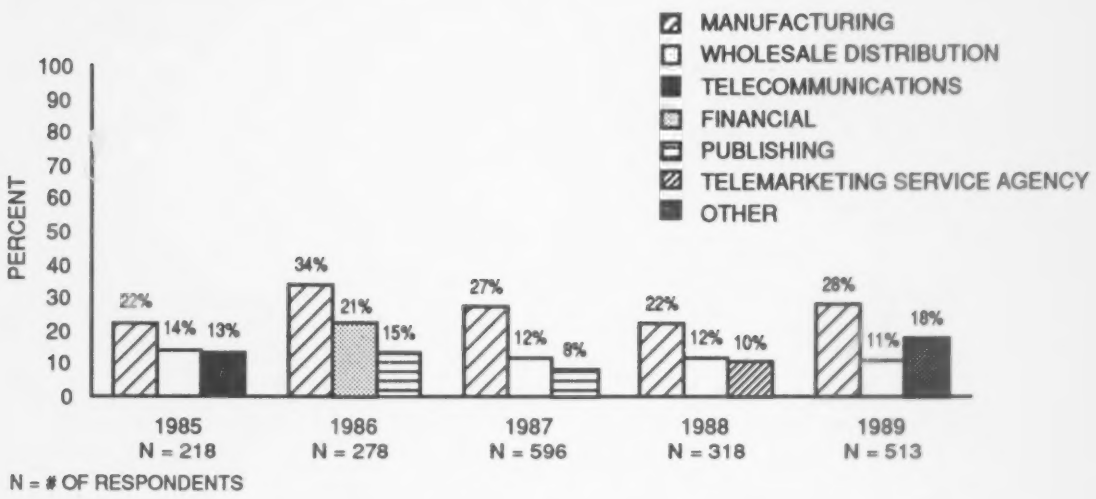
Most companies surveyed (58%) are partially automated—meaning they use office automation, but not automated sales equipment. About 21% are completely automated (a virtually paperless system,office and sales automation), and approximately 19% are completely manual. The numbers of companies that are completely automated has tripled in size since 1985, but this trend appears to have leveled off. The automation trend is expected to regain momentum in the coming years as more high-tech industries implement telemarketing programs.



Source: Telemarketing Magazine, November 1989

TOP 3 INDUSTRIES USING TELEMARKETING (1985–1989)

Manufacturers continue to be the most active users of telemarketing according to the survey. The category dubbed "other" jumped to 18% this year, and drew a very wide variety of responses—including a public television station, hotel management, and a blood donor recruitment center.

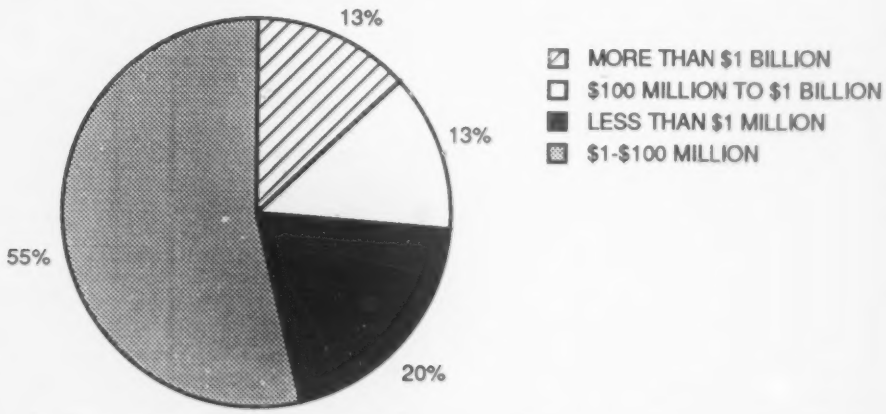


Note: For 1986 only, Manufacturing and Wholesale Distribution were combined.

Source: Telemarketing Magazine, November 1989

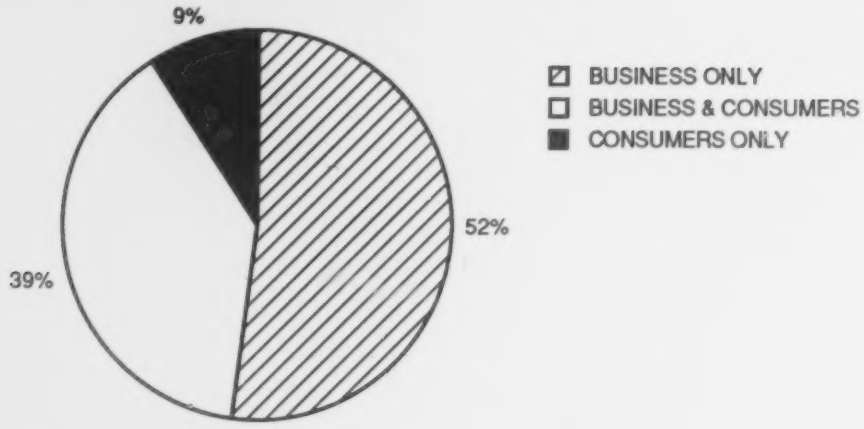
The INBOUND/OUTBOUND Readership Survey was conducted in July 1989 in conjunction with Sulcer Research Associates. 5,234 questionnaires were mailed to randomly selected INBOUND/OUTBOUND subscribers. A 34% response rate was achieved.

ANNUAL TELEMARKETING COMPANY SALES



Source: INBOUND/OUTBOUND/Sulcer Research Associates, 1989

TYPE OF TELEMARKETING CUSTOMER



Source: INBOUND/OUTBOUND/Sulcer Research Associates, 1989

TELEMARKETING PRODUCTS AND SERVICES IN USE

Base = 1,633

RANK	EQUIPMENT/SERVICE	PERCENT OF COMPANIES WHO USE
1	Facsimile Equipment	78%
2	800 (In-WATS) Lines	66%
3	Workstation Furniture	58%
4	Headsets	53%
5	Cellular Telephones	40%
6	Power Protection	38%
7	Laptop Personal Computers	37%
8	Voice Mail	37%
9	Telemarketing Campaigns	32%
10	Automatic Call Distributors	31%
11	Telemarketing Systems	28%
12	Message-On-Hold Systems	28%
13	List Rental/List Processing	27%
14	Autodial Outdial Systems	25%
15	Call Center Management Software	24%
16	Automated Attendants	23%
17	Used Telephones/Computers	22%
18	Sales Automation Software	20%
19	Credit/Collection Systems	20%
20	Interactive Voice Response	18%
21	Automatic Call Sequencers	16%
22	Direct Response Order & Fulfillment	16%
23	Tele- & Videoconferencing	15%
24	Telemanagement Software	14%
25	Staff Forecasting Software	13%
26	Central Office ACD	13%
27	Telemarketing Service Bureau	9%
28	900 Lines	6%

Source: INBOUND/OUTBOUND/Sulcer Research Associates, 1989

The AT&T Telephone Shopper Study was conducted in April 1987 in three phases: telephone survey, follow-up mail survey and qualitative research which covered attitudes toward nonstore shopping, nonstore shopping behavior, nonshopping use of 800 service, relative comfort with ordering a variety of products using 800 service and 800 numbers for information and customer service.

The primary objective was to segment the market for 800 service based on consumer attitudes and usage.

The secondary objectives were: to describe consumer behavior in terms of use/nonuse, explore usage by stages of the buying cycle, associate behavior patterns with product or service categories, and to identify/describe psychographic or attitudinal factors that relate to different levels or types of use.

Consumers, all those who participated in the study, were described as either users or nonusers.

Users, those who ordered through an 800 number at least twice within the past year, tend to place a high priority on the value of their time, therefore convenience is a major concern. The catalog is their primary purchase stimulus, since they receive many and often save the most appealing for several months. They prefer 800 ordering to mail because of the greater speed of delivery. Virtually all have credit cards.

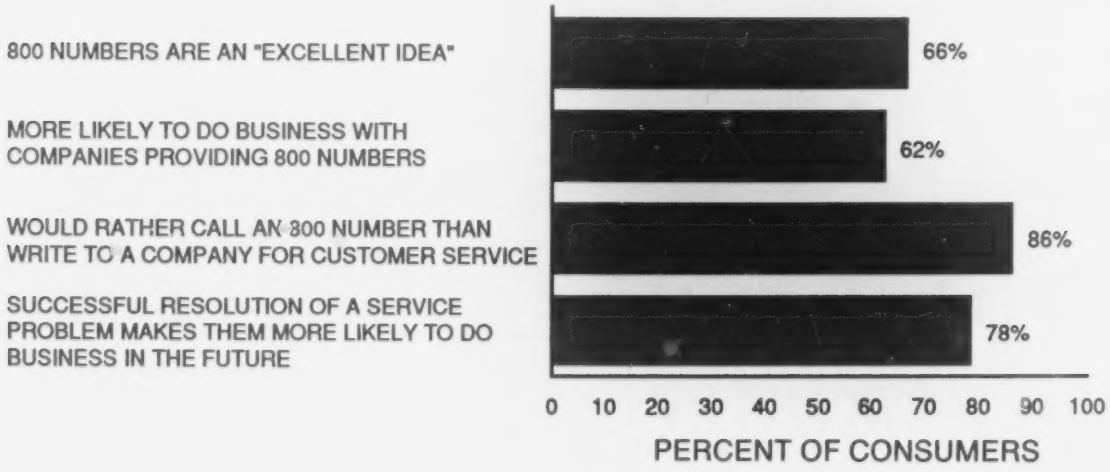
Nonusers are those who have not done any 800 ordering within the past year (about 1/2 have ordered previously). They are highly price sensitive, heavily sale and promotion oriented and they do a lot of comparison shopping. They're less interested in speed and convenience of their purchases; therefore they tend to do less nonstore shopping. They have credit cards but they are cautious about using them especially in nonstore shopping where they cannot see what they're ordering first.

The study's main finding was that users and nonusers have very different attitudes toward shopping yet they're both very receptive to 800 numbers for information and customer service. Therefore companies that make a real committment to building customer trust can convert nonusers to users.

Results of this study can be projected to all U.S. Households.

DEGREE OF CONSUMER INTEREST IN USING 800 NUMBERS AT OTHER PHASES OF THE BUSINESS CYCLE

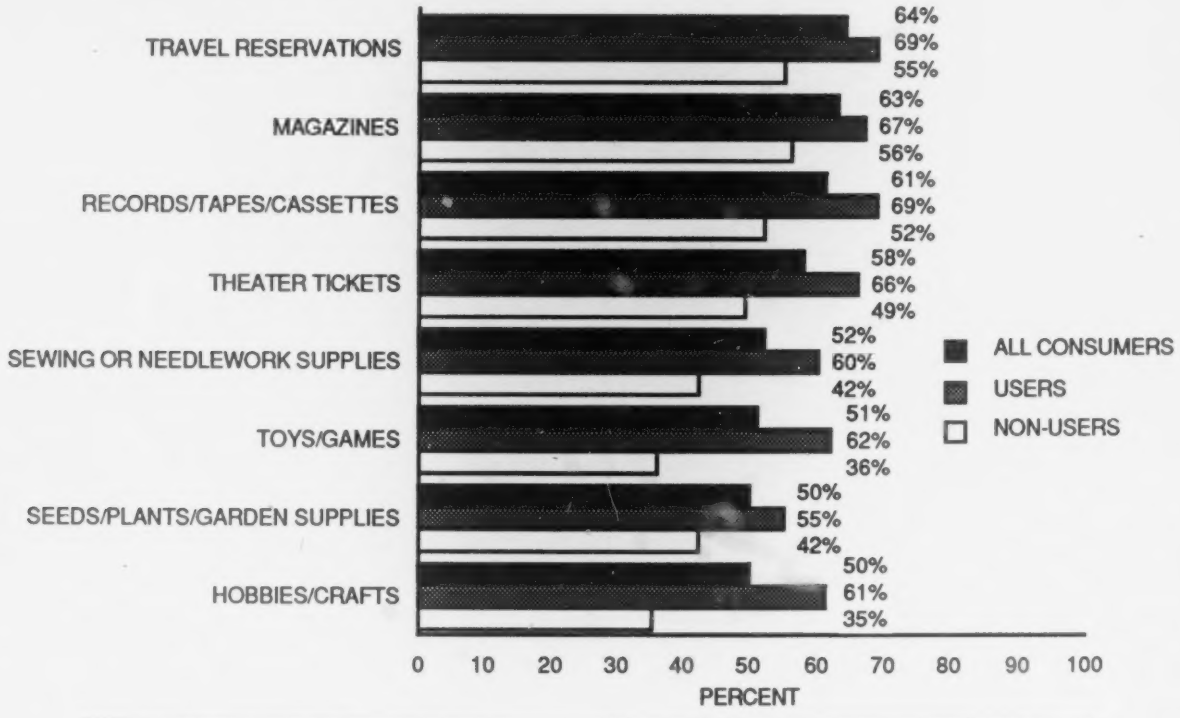
Consumers are extremely interested in 800 numbers for information and customer service.


800 NUMBERS ARE AN "EXCELLENT IDEA"
66%
MORE LIKELY TO DO BUSINESS WITH COMPANIES PROVIDING 800 NUMBERS
62%
WOULD RATHER CALL AN 800 NUMBER THAN WRITE TO A COMPANY FOR CUSTOMER SERVICE
86%
SUCCESSFUL RESOLUTION OF A SERVICE PROBLEM MAKES THEM MORE LIKELY TO DO BUSINESS IN THE FUTURE
78%
0 10 20 30 40 50 60 70 80 90 100
PERCENT OF CONSUMERS

Source: AT&T Telephone Shopper Study, 1987

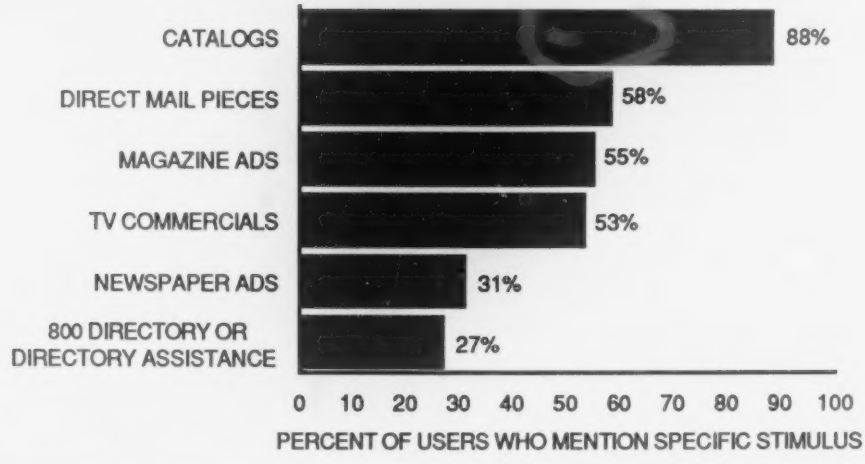
COMFORT WITH PURCHASING PRODUCTS BY 800 NUMBER

50% or more are comfortable ordering:



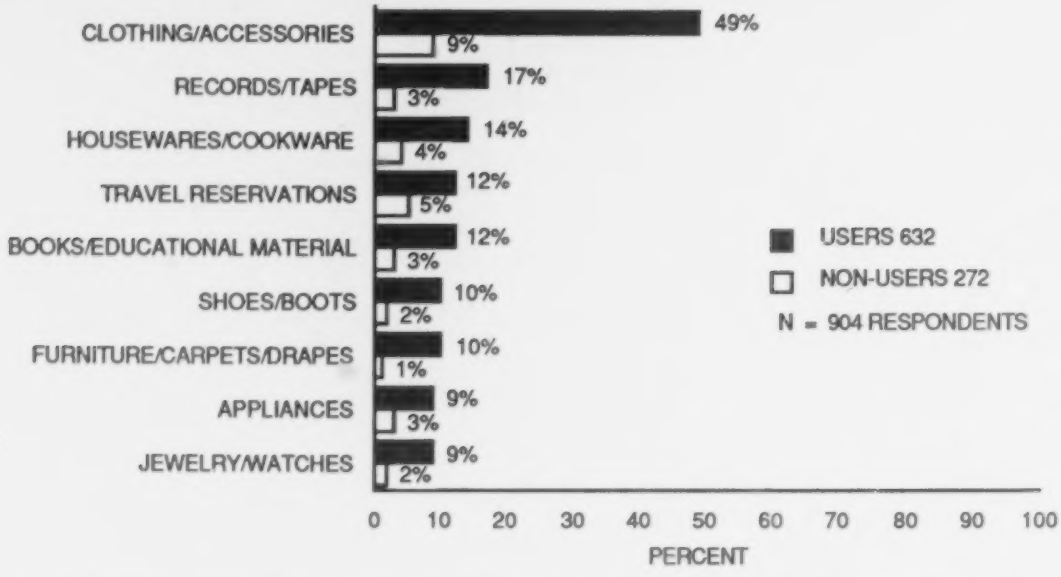
Source: AT&T Telephone Shopper Study, 1987.

PURCHASE STIMULI FOR 800 ORDERS PLACED BY USERS



Source: AT&T Telephone Shopper Study, 1987.

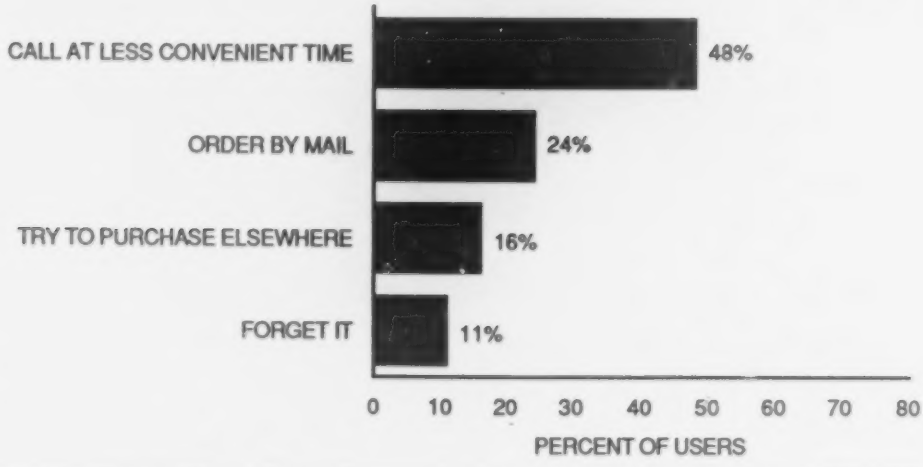
PRODUCTS PURCHASED BY 800 NUMBER WITHIN THE PAST YEAR



*All numbers are percentages

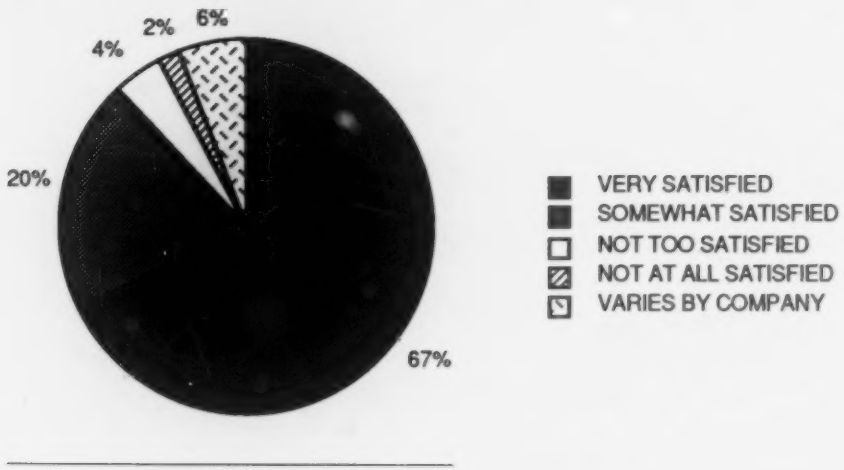
Source: AT&T Non-Store Shopping Behavior Study, 1987

ACTION TAKEN IF UNABLE TO REACH 800 NUMBER



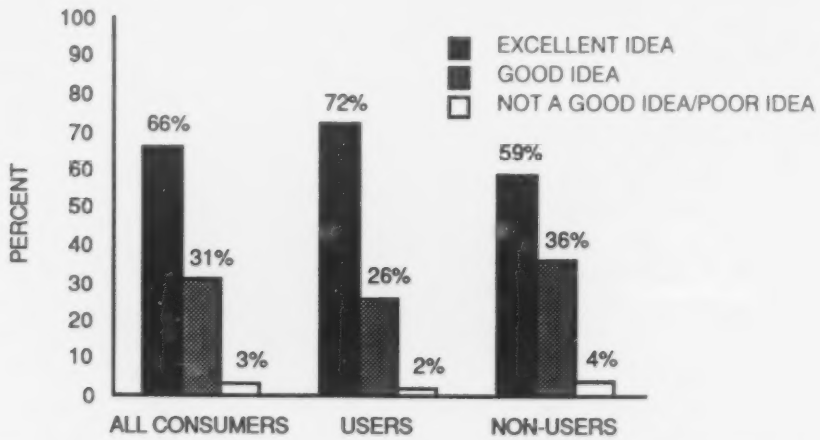
Source: AT&T Telephone Shopper Study, 1987

USER SATISFACTION WITH TELEPHONE SHOPPING



Source: AT&T Telephone Shopper Study, 1987

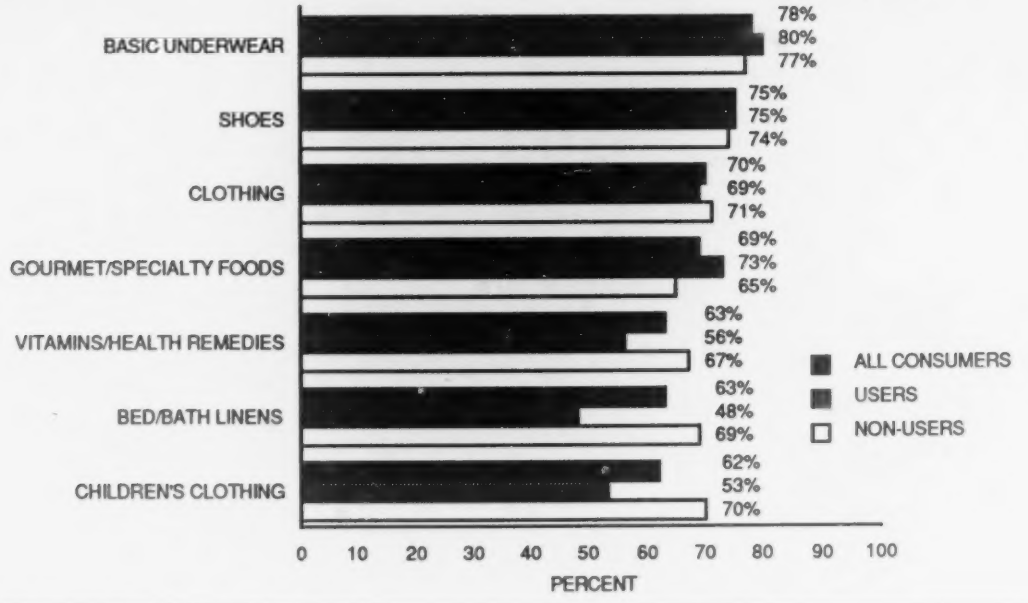
CONSUMERS' RESPONSE TO "800" INFORMATION NUMBERS



Source: AT&T Telephone Shopper Study, 1987

PRODUCTS FOR WHICH AN INFORMATION NUMBER MAKES THE MOST DIFFERENCE

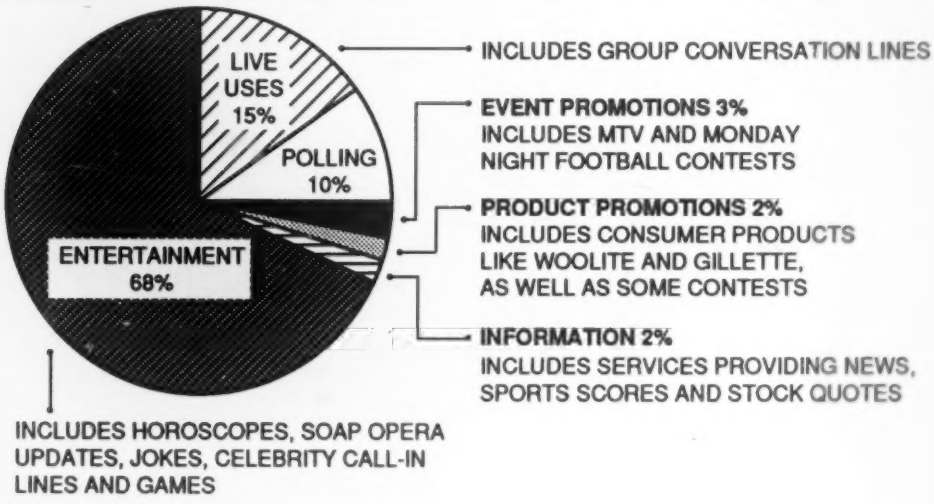
(AT LEAST 60% ARE MORE COMFORTABLE IN THESE CATEGORIES)



Source: AT&T Telephone Shopper Study, 1987

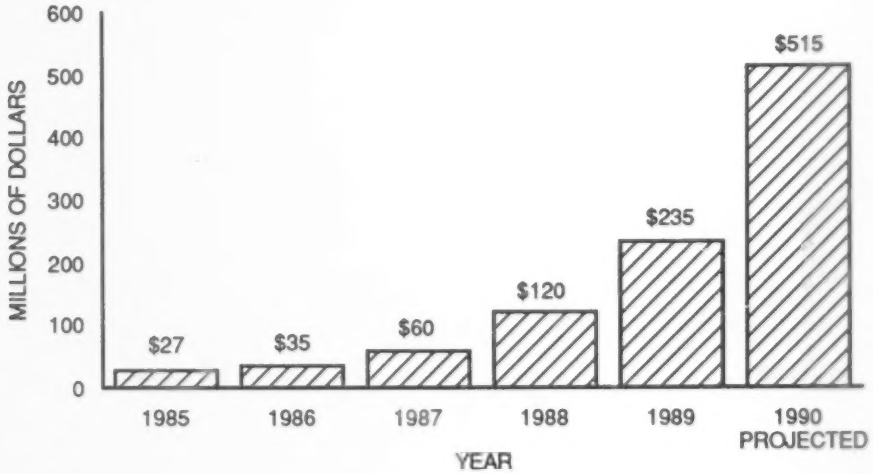
USES OF 900–NUMBER TELEPHONE SERVICES

Estimated breakdown of "900" number services, based on length of calls, as of March 31. In 1989, callers used these phone services for more than 320 million minutes at an average cost of 73 cents a minute.


LIVE USES 15%
POLLING 10%
ENTERTAINMENT 68%
INCLUDES GROUP CONVERSATION LINES
EVENT PROMOTIONS 3%
INCLUDES MTV AND MONDAY NIGHT FOOTBALL CONTESTS
PRODUCT PROMOTIONS 2%
INCLUDES CONSUMER PRODUCTS LIKE WOOLITE AND GILLETTE, AS WELL AS SOME CONTESTS
INFORMATION 2%
INCLUDES SERVICES PROVIDING NEWS, SPORTS SCORES AND STOCK QUOTES
INCLUDES HOROSCOPES, SOAP OPERA UPDATES, JOKES, CELEBRITY CALL-IN LINES AND GAMES

Source: Link Resources, 1990

ESTIMATED REVENUES OF 900 NUMBER TELEPHONE SERVICES
(IN MILLIONS)

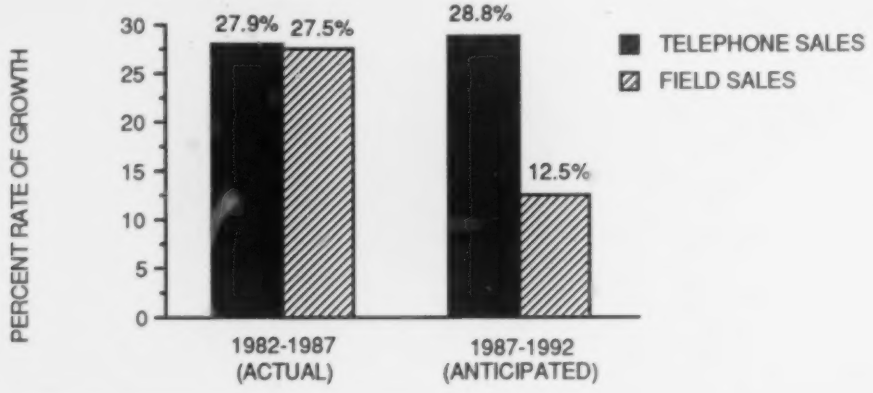


Source: Link Resources, 1990

GROWTH IN TELEPHONE SALES AND CUSTOMER SERVICE STAFF

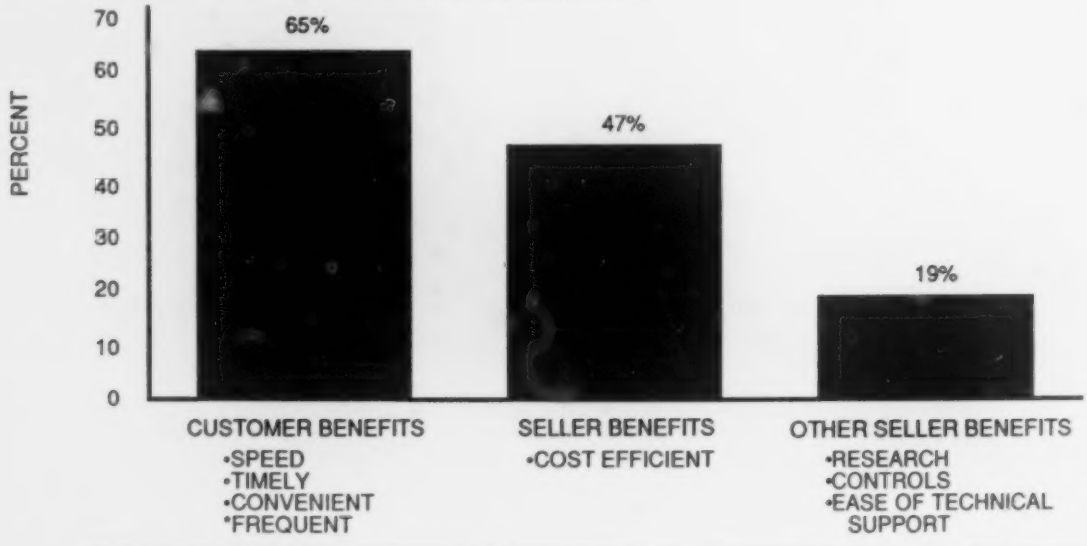
The Oetting & Company, Inc. Telephone Marketing Survey on how companies combine telephone sales and service with field sales was conducted by its subsidiary, Telephone Marketing Resources, Inc. in May 1987. The 211 sales and 212 marketing executives participating in the telephone interview survey were from companies ranging from under $1 million in annual sales volume to over $2 billion. The survey results showed that 353, or 83%, of all respondents had internal telephone sales and/or service operations. All findings reported below are based on these 353 companies.

TELEPHONE AND FIELD REPRESENTATIVES



Source: Oetting & Company, Inc. and Business Marketing Magazine, 1987

BENEFITS OF TELEPHONE SALES & SERVICE



Note: Adds to more than 100% due to multiple responses.

Source: Oetting & Company, Inc. and Business Marketing Magazine, 1987

SERVICE BUREAUS' VIEWS RE: CIRCUMSTANCES WHERE USE OF PRE-RECORDINGS WOULD BE ADVISABLE

VIEWS ON USE OF PRE-RECORDINGS	TOTAL	TYPE OF OPERATION		YEARS IN BUSINESS		SIZE NUMBER OF WORKSTATIONS	
		OUT ONLY	OUT/IN	LESS THAN 6 YRS	6+ YRS	LESS THAN 100	100+
TOTAL	64	28	36	32	32	32	32
PERCENT	100%	100%	100%	100%	100%	100%	100%
FOR SPECIFIC INFORMATIONAL PURPOSES	3 5%	1 4%	2 6%	1 3%	2 6%	3 9%	–
TO INFORM PEOPLE OF SPECIAL INFORMATION SUCH AS PRODUCT DEFECT/ PRODUCT RECALL	8 13%	4 14%	4 11%	4 13%	4 13%	3 9%	5 16%
COLLECTIONS	2 3%	1 4%	1 3%	–	2 6%	–	2 6%
TO EXISTING CLIENTS/ CUSTOMERS ONLY	3 5%	1 4%	2 6%	1 3%	2 6%	–	3 9%
ON INCOMING CALLS ONLY	2 3%	1 4%	1 3%	1 3%	1 3%	2 6%	–
IF INTRODUCED BY LIVE PERSON	3 5%	1 4%	2 6%	–	3 9%	1 3%	2 6%
DON'T KNOW OF ANY/NONE	26 41%	14 50%	12 33%	13 41%	13 41%	13 41%	13 41%
NEVER/NO CIRCUMSTANCE/ NONE WHATSOEVER	11 17%	3 11%	8 22%	8 25%	3 9%	4 13%	7 22%

Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

SERVICE BUREAUS' VIEWS ON USING PRE-RECORDINGS FOR SELLING OR MARKETING

VIEWS ON USE OF PRE-RECORDINGS	TOTAL	TYPE OF OPERATION		YEARS IN BUSINESS		SIZE NUMBER OF WORKSTATIONS	
		OUT ONLY	OUT/IN	LESS THAN 6 YRS	6+ YRS	LESS THAN 100	100+
TOTAL	64	28	36	32	32	32	32
PERCENT	100%	100%	100%	100%	100%	100%	100%
HATE IT/AWFUL/TERRIBLE/ OBNOXIOUS PRACTICE	10 16%	7 25%	3 8%	6 19%	4 13%	6 19%	4 13%
HURTS THE INDUSTRY/GIVES INDUSTRY BAD NAME	9 14%	6 21%	3 8%	6 19%	3 9%	5 16%	4 13%
OPPOSE IT/NEGATIVE TOWARD IT/NOT IN FAVOR OF IT	17 27%	6 21%	11 31%	10 31%	7 22%	9 28%	8 25%
SHOULD BE BANNED/ OUTLAWED	4 6%	2 7%	2 6%	1 3%	3 9%	2 6%	2 6%
OFFENDS PEOPLE/OFFENSIVE TO CONSUMER	11 17%	6 21%	5 14%	6 19%	5 16%	4 13%	7 22%
TOO IMPERSONAL/ ELIMINATES PERSONAL CONTACT WHICH IS OUR SPECIALTY	16 25%	6 21%	10 28%	5 16%	11 34%	6 19%	10 31%
INEFFECTIVE/DOESN'T WORK	5 8%	2 7%	3 8%	2 6%	3 9%	1 3%	4 13%
OK FOR CERTAIN APPLICATIONS	3 5%	–	3 8%	1 3%	2 6%	1 3%	2 6%
NO FEELING OR OPINION ABOUT IT	2 3%	1 4%	1 3%	1 3%	1 3%	2 6%	–

Source: Schlenker Research Services, "Telemarketing Intelligence," 1987

700, 800, 900: The Intelligent Networks is a research report conducted by Strategic Telemedia in 1989. The research process included a review of regulatory literature and product descriptions, and included interviews with users and developers of relevant communications equipment. This research was conducted to find out the nature of the changes that have taken place in the nation's telecommunications infrastructure in the past year.

Total 900 Programs to Date/Projected

MCI:	328
AT&T:	More than 1,000
Telesphere:	More than 800
Sprint Gateways:	500 with more than 2,000 in '90
Total:	2,628 to 4,128

Source: 700,800,900: The Intelligent Networks, Strategic Telemedia, 1989

900 SERVICE PROJECTIONS

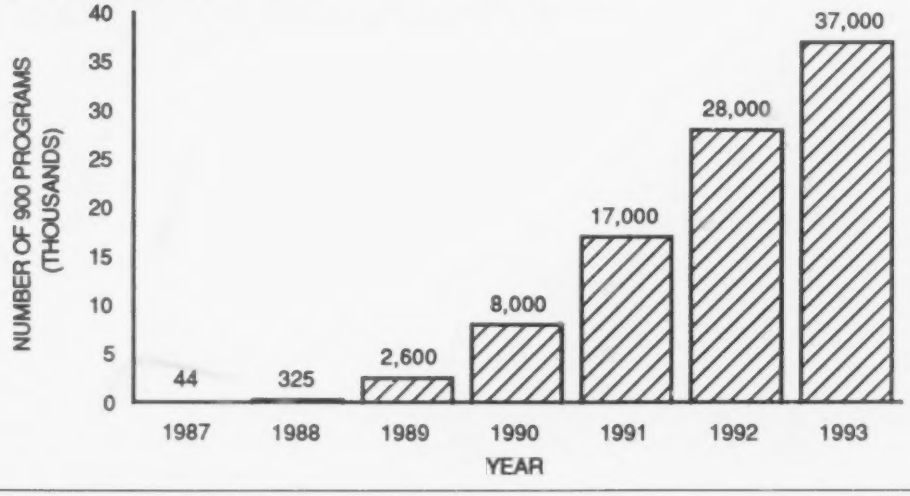
TOTAL REVENUES: TELEPHONE PROGRAMMING AND TRANSACTIONS (IN MILLIONS)

	1989	1990	1991	1992	1993
Programming	435	749	1,219	1,454	1,668
Transactions*	20	131	311	609	1,292
Total	455	880	1,530	2,063	2,960

*This number includes fund raising but not product ordering.

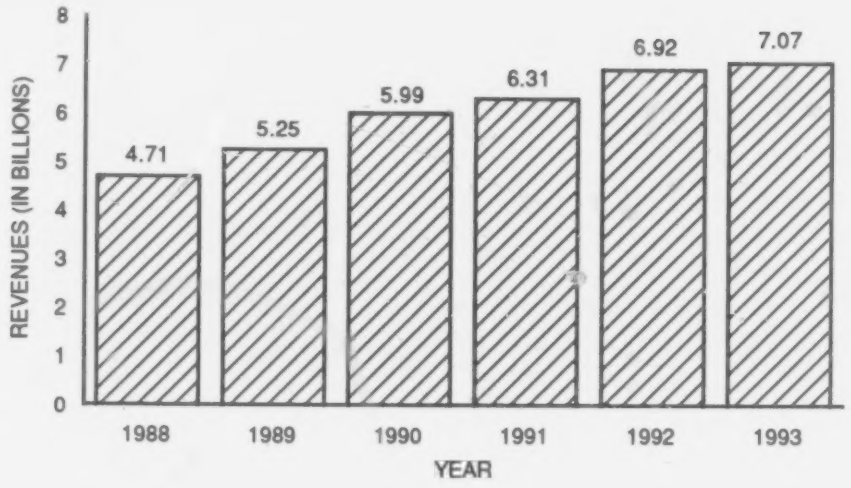
Source: 700,800,900: The Intelligent Networks, Strategic Telemedia, 1989

900–NUMBER PROGRAM GROWTH PROJECTIONS



Source: 700, 800, 900: The Intelligent Networks, Strategic Telemedia, 1989

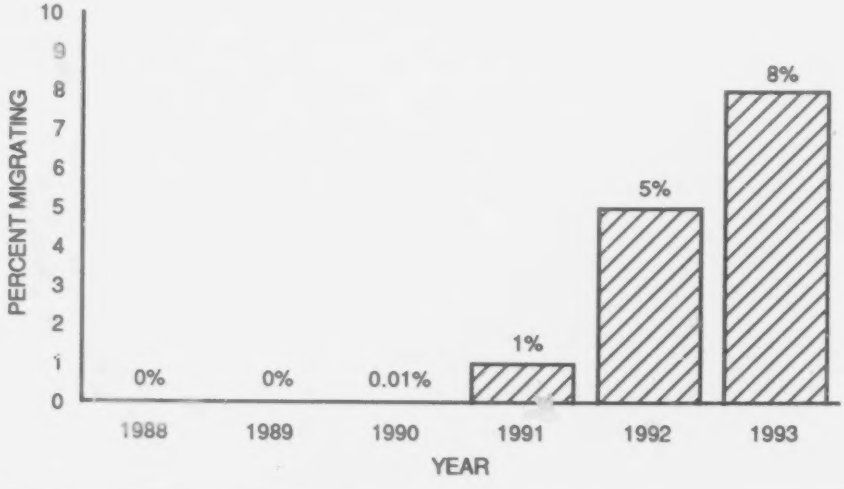
800–NUMBER SERVICES REVENUE



Source: 700, 800, 900: The Intelligent Networks, Strategic Telemedia, 1989

MIGRATION OF 800–NUMBER SERVICES TO 900
(AS A % OF 800 SERVICES)

Many companies that have been using 800 numbers are changing over to 900 numbers, and this trend is expected to increase dramatically over the coming years.



Source: 700, 800, 900: The Intelligent Networks, Strategic Telemedia 1989

• PRINT/PROMOTION

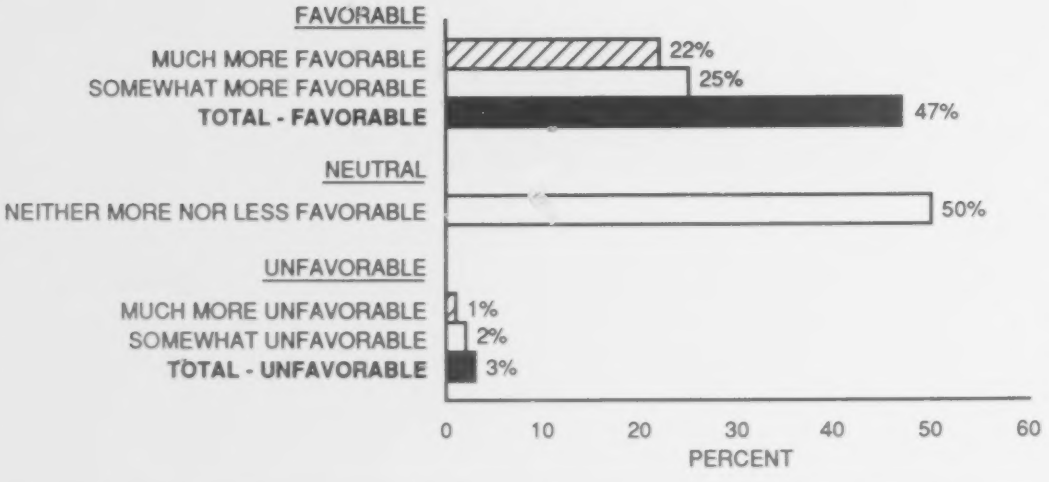
CONSUMER ATTITUDES

COSTS

TRENDS

The Frankel Study on Promotional Attitudes and Practices was a mail survey conducted in 1988 among a nationally representative sample of 654 households. The purpose of the study was to look at the attitudes and behavior of consumers in relation to promotional practices and attitudes.

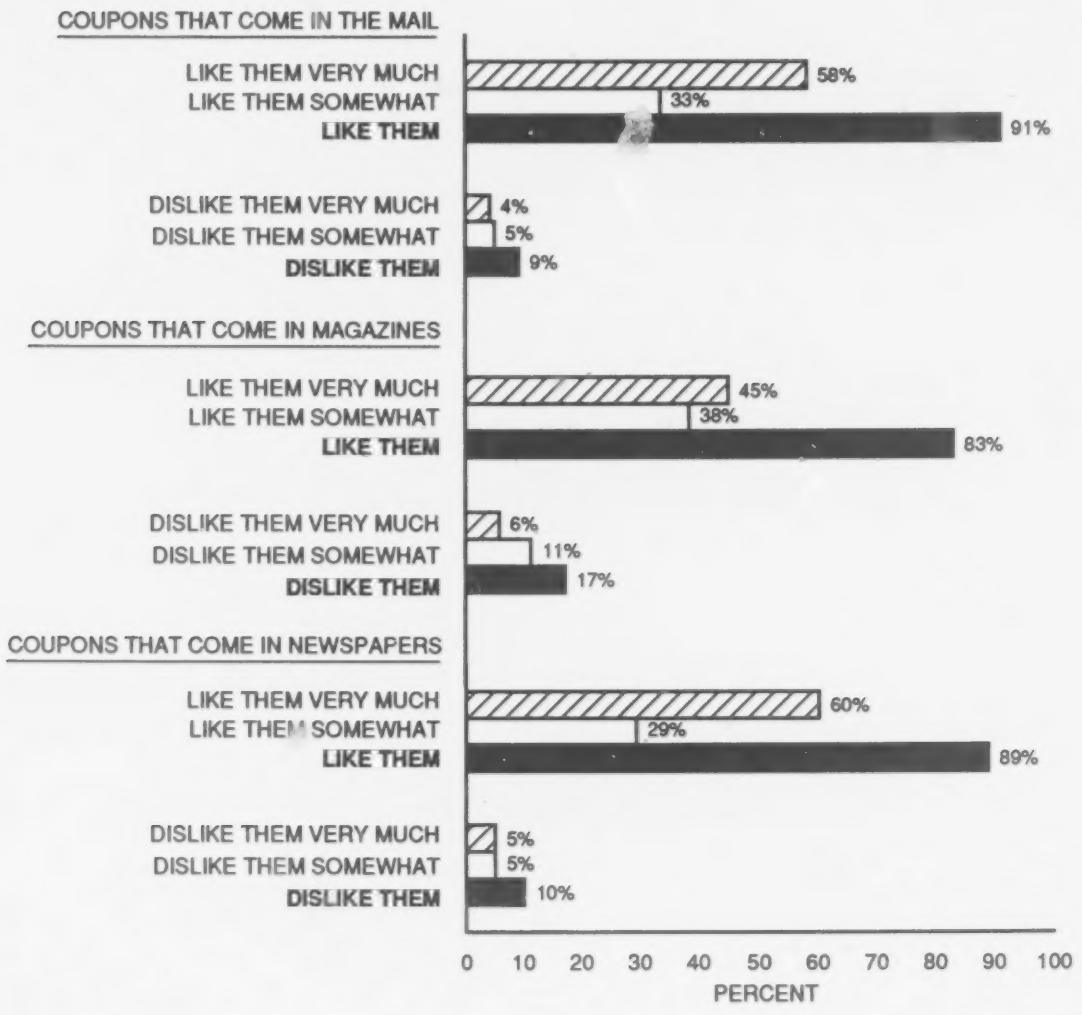
CONSUMER ATTITUDE TOWARD BRANDS OF GROCERY PRODUCTS THAT OFFER COUPONS, PREMIUMS, REFUNDS OR OTHER TYPES OF DISCOUNTS AS INCENTIVES



Source: Frankel & Company, Promotional Attitudes and Practices, 1988

CONSUMER ATTITUDES ABOUT COUPONS FROM DIFFERENT SOURCES

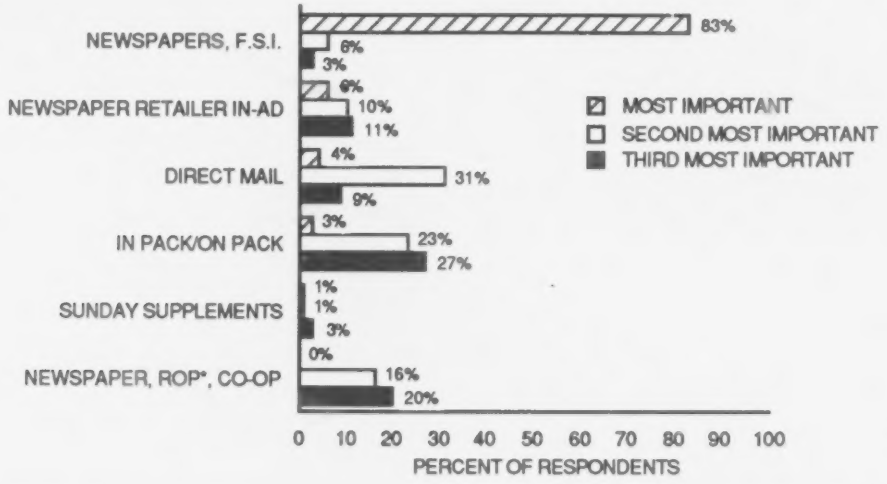
Coupons that come in newspapers and in the mail are generally preferred to those that come in magazines. One suspicion is that consumers dislike having to cut up their more or less permanent magazine in order to obtain a coupon. Newspapers and direct mail simply make it easier.



Source: Frankel & Company, Promotional Attitudes and Practices, 1988

The Twelfth Annual Survey of Promotional Practices, sponsered by Donnelley Marketing, was conducted in September and October 1989 among 145 marketing executives who manage a large portion of all sales promotions for nondurable goods and services in the U.S. A 52.6% response rate was achieved.

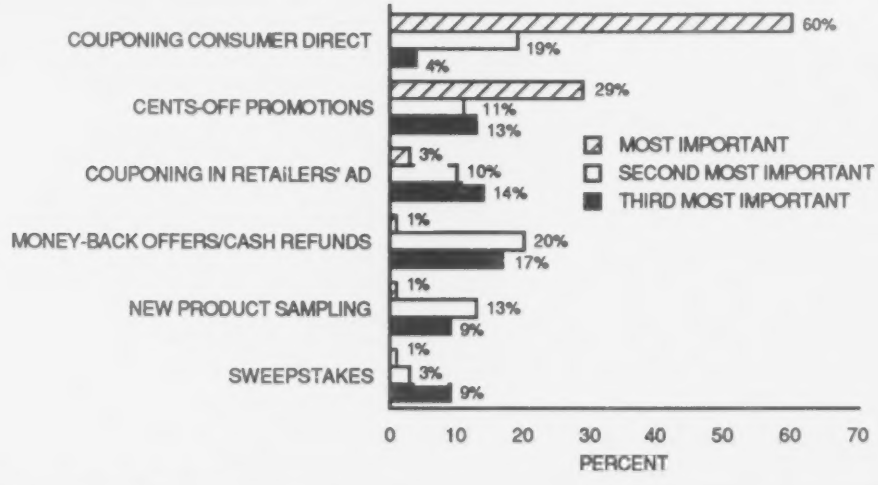
LEADING TYPES OF COUPON MEDIA VEHICLES: 1989
BASED ON DOLLAR IMPORTANCE



*ROP = Run of Paper/Press-usually refers to color printing that can be placed on any page of a newspaper or magazine.

Source: Donnelley Marketing: Twelfth Annual Survey of Promotional Practices, 1989

PRINCIPAL CONSUMER PROMOTIONS USED: 1989
BASED ON DOLLAR IMPORTANCE



Source: Donnelley Marketing: Twelfth Annual Survey of Promotional Practices, 1989

TYPES OF COUPON MEDIA USED: 1985–1989

5-YEAR COMPARISON OF USAGE LEVELS	PERCENT OF RESPONDENTS				
	1989	1988	1987	1986	1985
1. NEWSPAPER, F.S.I	96	91	94	93	92
2. IN PACK/ON PACK	87	89	94	90	84
3. DIRECT MAIL	74	78	82	78	86
4. NEWSPAPER, ROP*, MFR'S AD	63	69	74	73	71
5. NEWSPAPER, ROP*, CO-OP	63	71	72	79	79
6. MAGAZINES	56	60	65	67	67
7. NEWSPAPER RETAILER IN-AD	61	57	57	45	51
8. SUNDAY SUPPLEMENTS	40	48	49	40	55

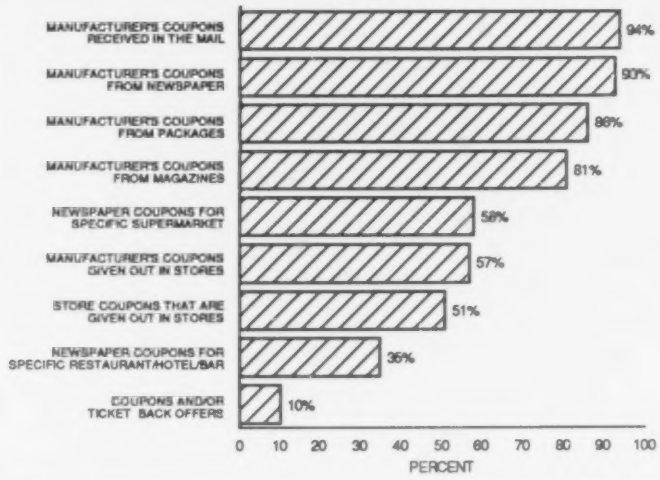
*ROP = Run of Paper Press-usually refers to color printing that can be placed on any page of a newspaper or magazine.

Source Donnelley Marketing Annual Surveys of Promotional Practices for 1985, 1986, 1987, 1988, 1989

TYPES OF CONSUMER PROMOTIONS USED: 1987 vs. 1989

Source: Donnelley Marketing, Twelfth Annual Survey of Promotional Practices, 1989

SOURCES OF MONEY—OFF COUPONS

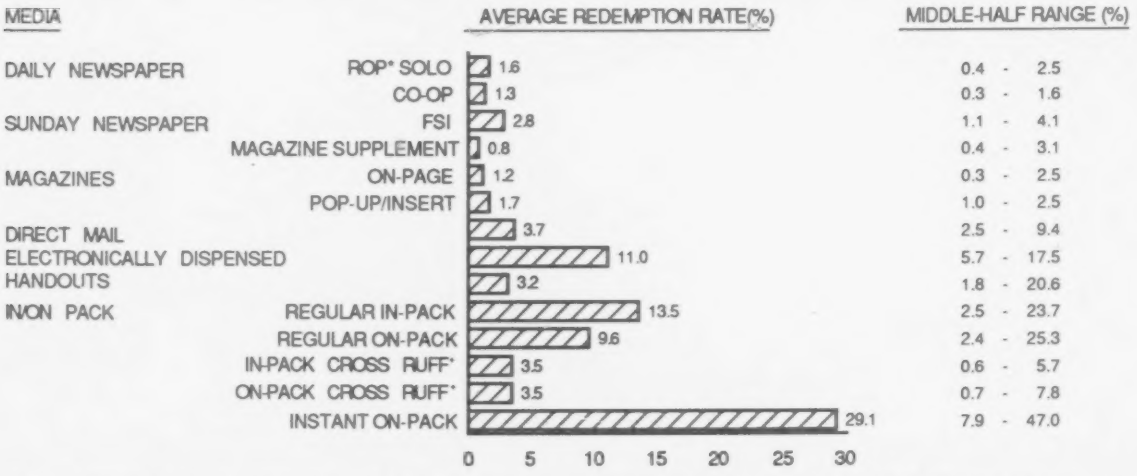


Source: Frankel & Company, Promotional Attitudes and Practices, 1988

GROCERY PRODUCTS
COUPON REDEMPTION RATES BY MEDIA 1989

In reviewing average coupon redemption rates, it is important to recognize that there is a range of redemption rates above and below the media average. A statistical measure called the middle-half range has been included to provide some indication of the variability of the data. The middle-half range includes the middle 50% of all offers in each medium, but excludes the 25% highest redeeming and the 25% lowest redeeming offers.

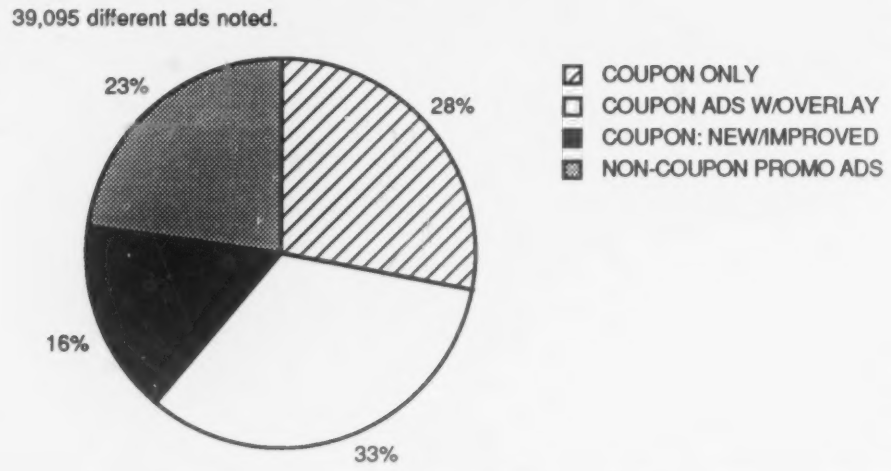
For example, FSI-average redemption rate of 2.8%. Middle-half range of 1.1%–4.1%. This means the middle 50% of FSI coupons had a redemption rate of between 1.1%–4.1%.



*ROP = Run of Paper/Press—usually refers to color printing that can be placed on any page of a newspaper or magazine.
+In/on–pack cross ruff—a coupon located in/on a package that offers money off on the purchase of *another* product.

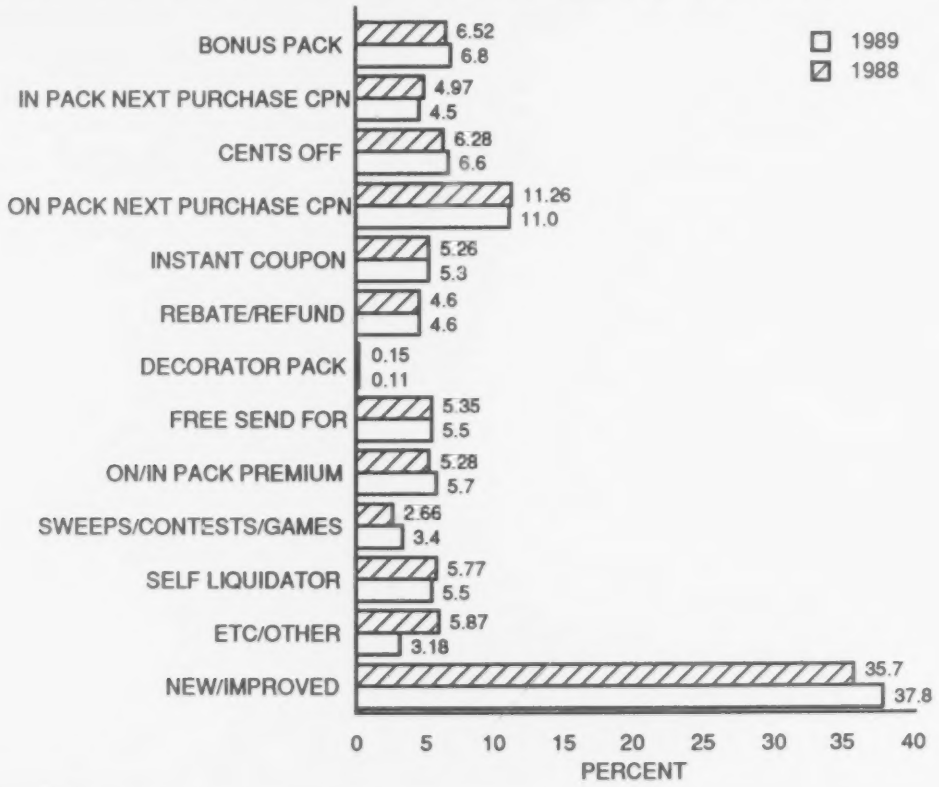
Source: Nielsen Clearing House, 1990

BREAKOUT OF ALL PROMOTIONAL ADS: 1989



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1990

PERCENT OF IN-STORE ON SHELF ACTIVITIES—1989 vs. 1988


1989
1988
BONUS PACK 6.52 6.8
IN PACK NEXT PURCHASE CPN 4.97 4.5
CENTS OFF 6.28 6.6
ON PACK NEXT PURCHASE CPN 11.26 11.0
INSTANT COUPON 5.26 5.3
REBATE/REFUND 4.6 4.6
DECORATOR PACK 0.15 0.11
FREE SEND FOR 5.35 5.5
ON/IN PACK PREMIUM 5.28 5.7
SWEEPS/CONTESTS/GAMES 2.66 3.4
SELF LIQUIDATOR 5.77 5.5
ETC/OTHER 5.87 3.18
NEW/IMPROVED 35.7 37.8
0 5 10 15 20 25 30 35 40
PERCENT

Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1990

VOLUME OF INSERTS IN SUNDAY/DAILY NEWSPAPERS

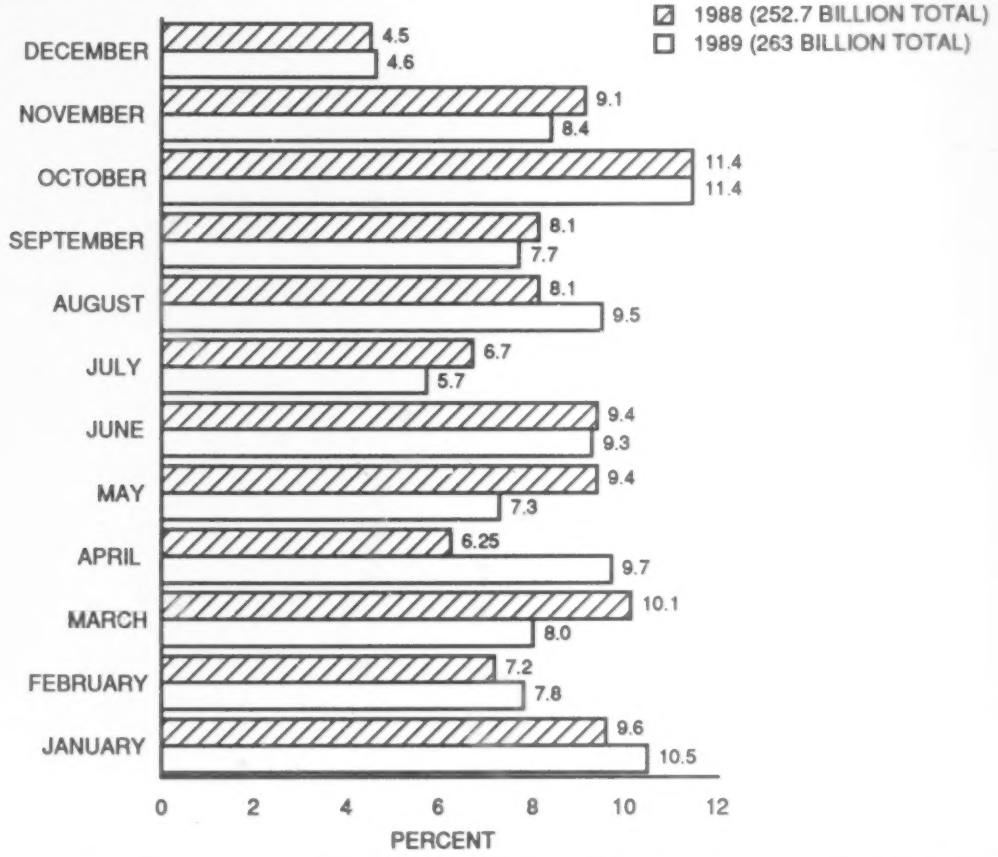
YEAR	FREE-STANDING INSERTS (CIRCULATION IN BILLIONS)	PERCENTAGE OF GROWTH ANNUALLY	FREE STANDING INSERT REVENUE*	PERCENTAGE OF GROWTH ANNUALLY
1975	15,800	2.8	—	
1980	27,733	2.2	$2,032,453,000	—
1981	28,708	3.5	$2,288,542,000	12.6
1982	29,966	4.4	$2,517,396,000	10.0
1983	35,727	19.2	$3,095,000,000	22.9
1984	41,265	15.5	$3,691,407,000	19.3
1985	45,379	10.0	$4,178,673,000	13.2
1986	51,503	13.5	$4,868,154,000	16.5
1987	54,778	6.4	$5,435,780,000	11.7
1988	56,428	3.0	$5,888,091,000	8.3
1989	59,758	5.9	$6,306,027,000	7.1

*Based on a 12-page tabloid and includes printing and inserting. A ratio of 55% printing and 45% inserting has been used. Years prior to 1982 have used a 50/50 ratio.

Source: Newspaper Advertising Bureau, Inc., 1990

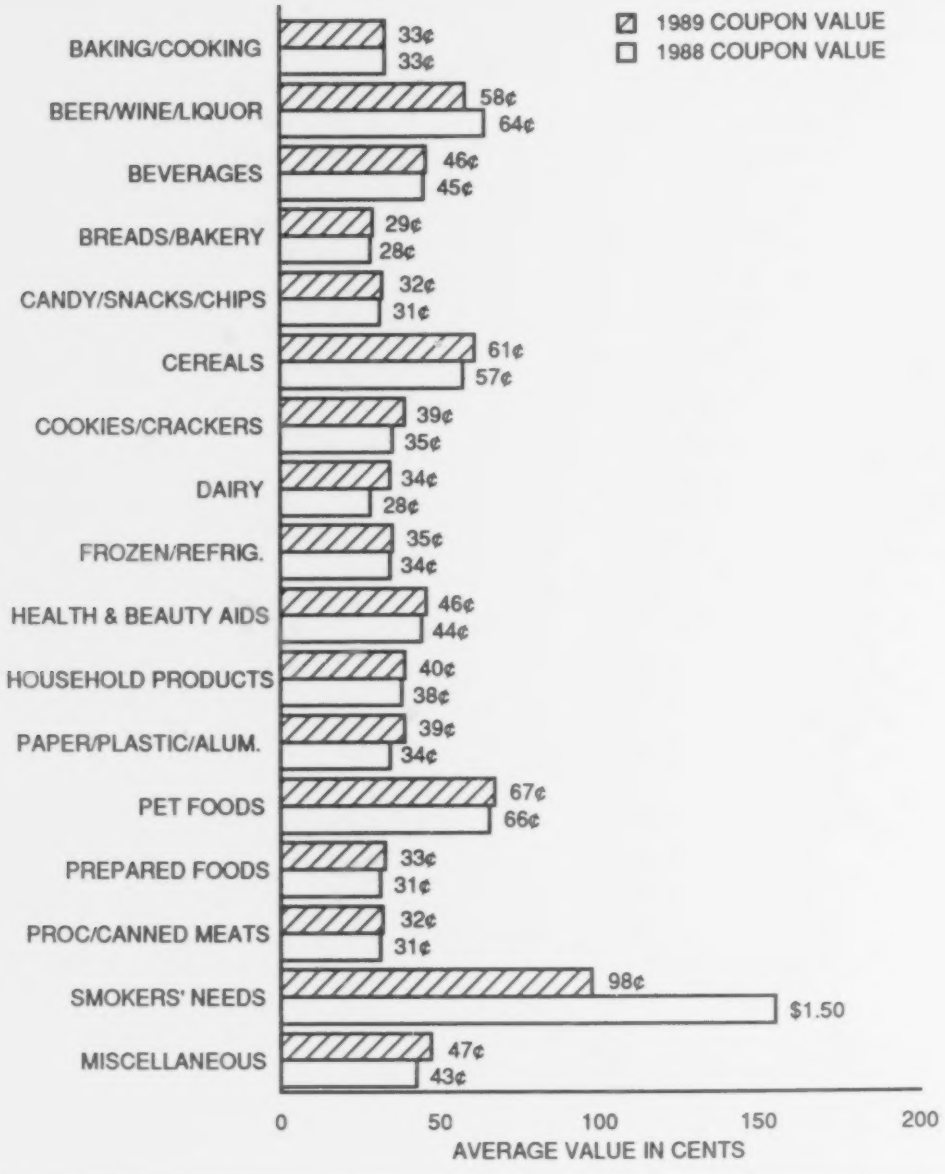
COUPONS DISTRIBUTED BY MONTH: 1989 VS. 1988

PERCENTAGE OF TOTAL



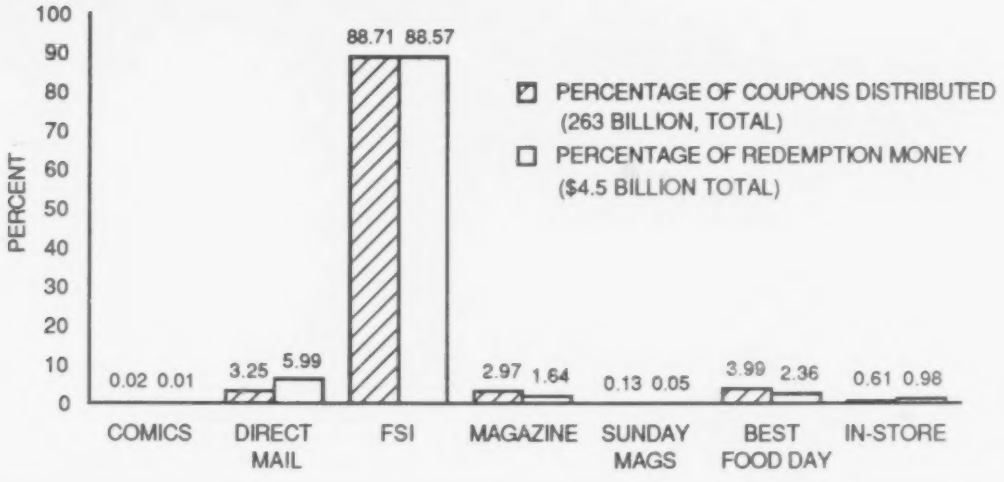
Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1990

AVERAGE VALUE OF COUPONS REDEEMED BY CATEGORY
(IN CENTS)



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1990

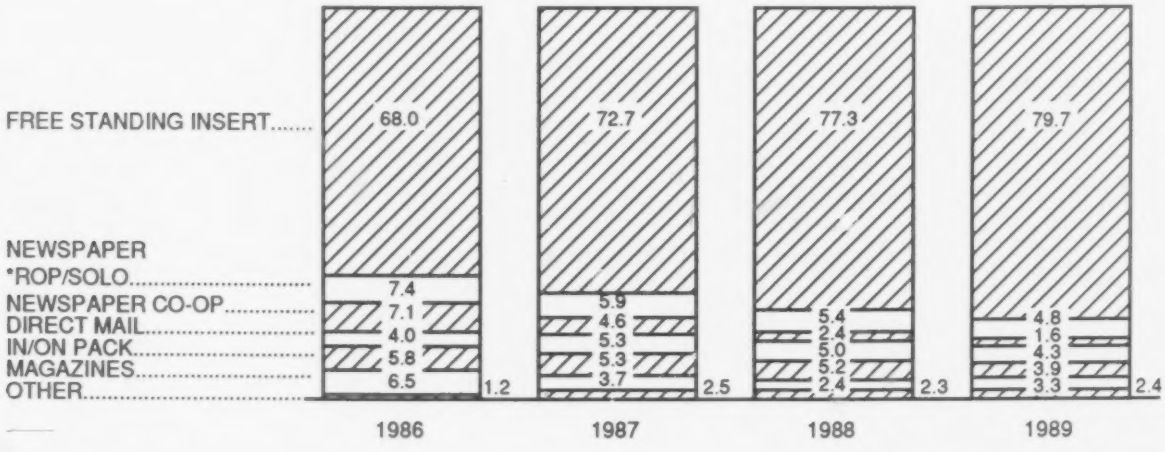
PERCENTAGE OF COUPONS DISTRIBUTED AND MONEY REDEEMED BY MEDIA: 1989



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc. 1990

PERCENT OF COUPON DISTRIBUTION BY MEDIA
(ALL PRODUCTS)

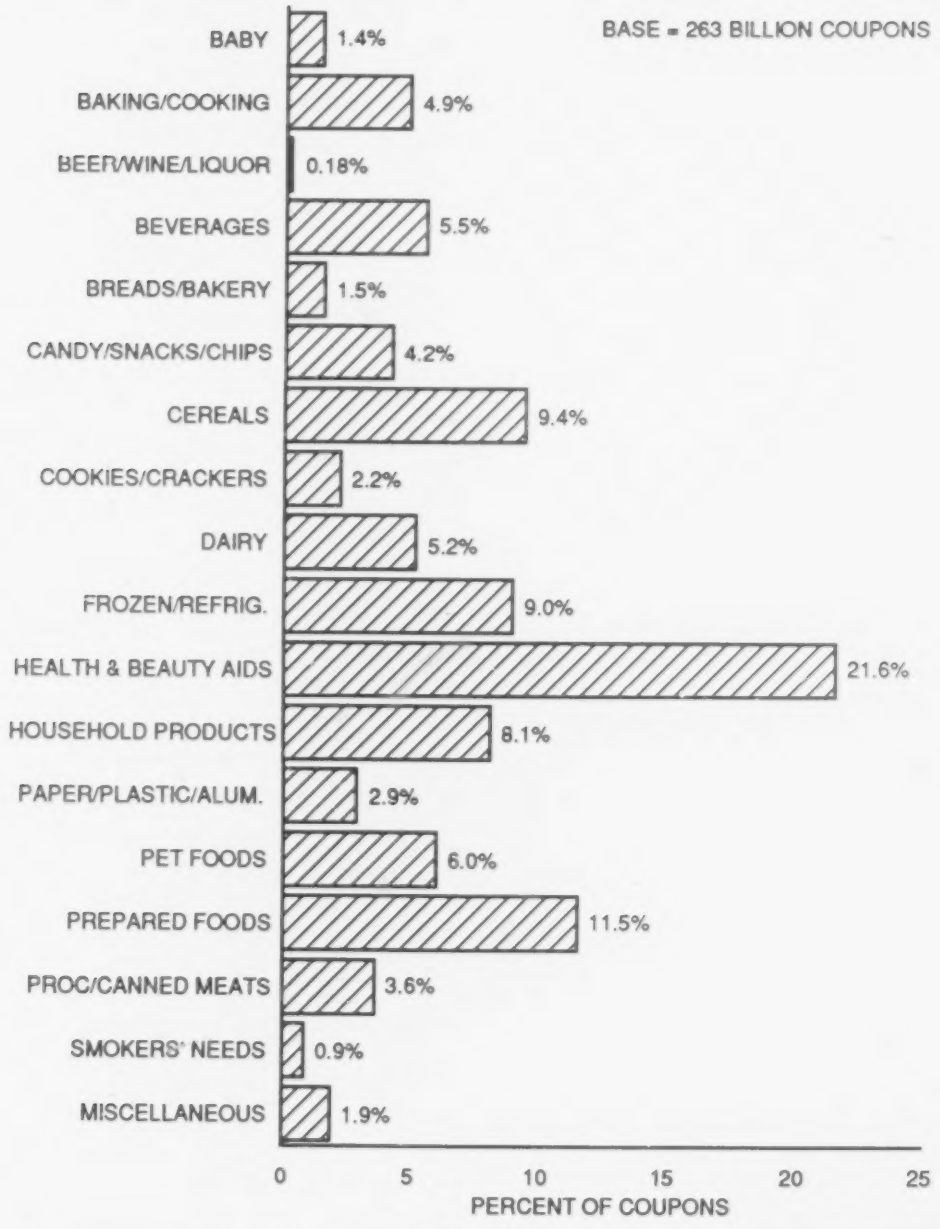
Once again, free standing inserts gained share in the total number of coupons distributed. This medium increased from a share of 77.3% in 1988 to 79.7% in 1989.



*ROP = Run of Paper/Press--usually refers to color printing that can be placed on any page of a newspaper or magazine.

Source: Nielsen Clearing House, 1990

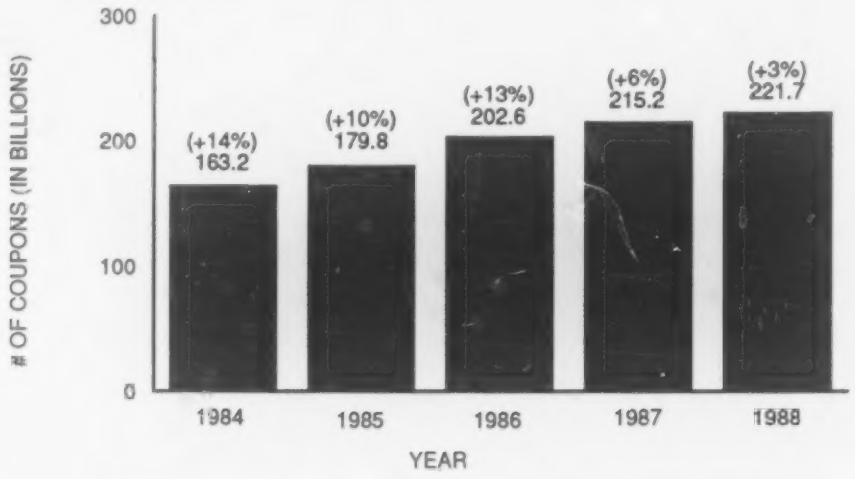
PERCENT OF COUPONS DISTRIBUTED BY CATEGORY: 1989



Source: Summary Scan! Division of the Advertising Checking Bureau, Inc., 1990

TRENDS IN COUPON DISTRIBUTION

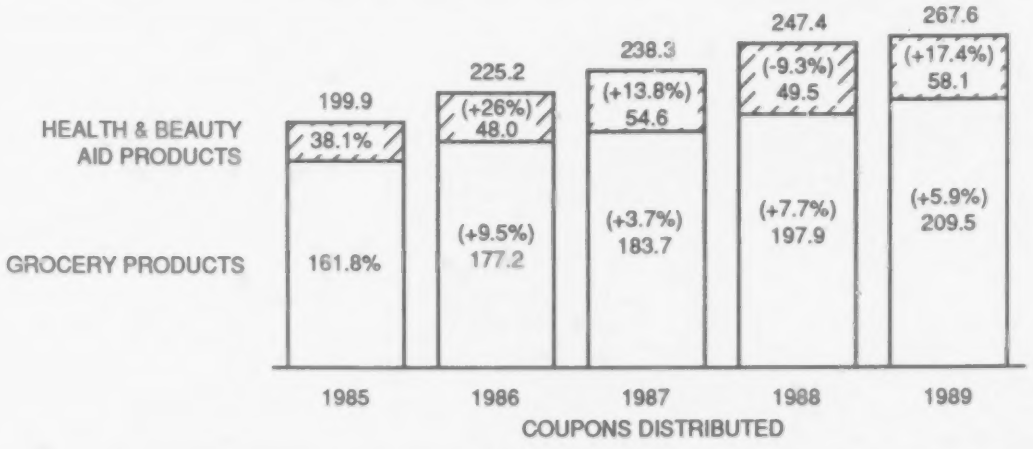
In 1988, total coupon distribution on all products increased 3%, rising from 215.2 billion coupons in 1987 to 221.7 billion. During the past five years, coupon distribution has increased 36%, from a total of 163.2 billion coupons in 1984.



Source: Manufacturers Coupon Control Center, 1989

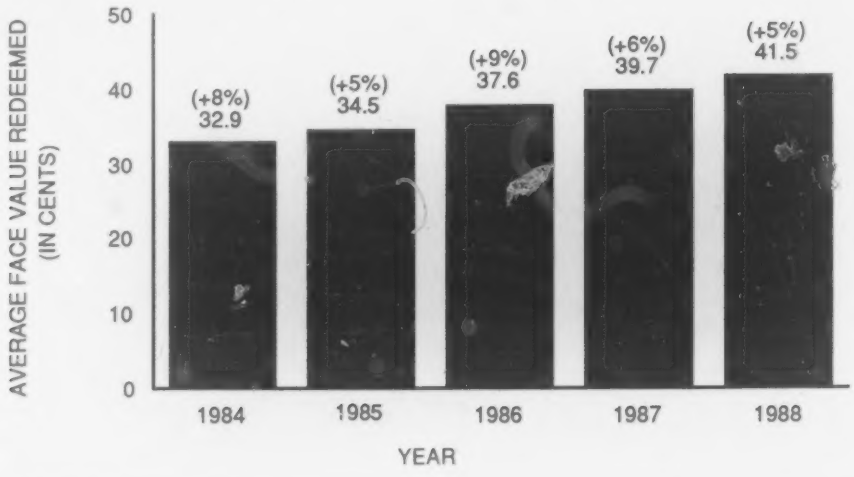
TRENDS IN COUPON DISTRIBUTION
BILLIONS OF COUPONS

Coupon distribution on grocery products reflected a 5.9% growth in 1989 to 209.5 billion coupons. Coupons issued on grocery products represented 78% of all activity in 1989. This category includes promotions on food and household care items.



Source: Nielsen Clearing House, 1990

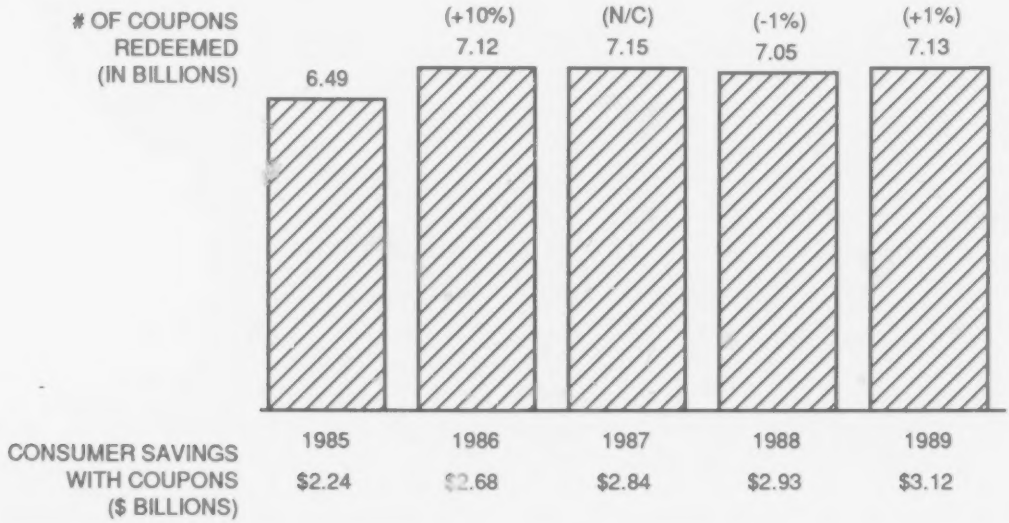
AVERAGE FACE VALUE REDEEMED
CENTS



Source: Manufacturers Coupon Control Center, 1989

TRENDS IN COUPON REDEMPTION
BILLIONS OF COUPONS

A total of 7.13 billion coupons were redeemed by consumers in 1989, a slight increase over 1988. Since 1985, coupon redemption has increased 11% from 6.49 billion.



Source: Nielsen Clearing House, 1990

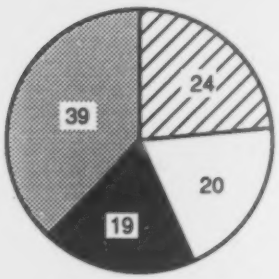
• TELEVISION

TRENDS

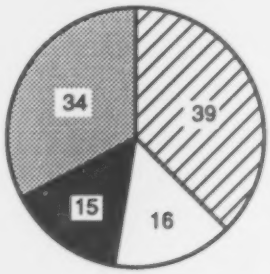
HOW TELEVISION VIEWERS DIVIDE THEIR TIME AMONG MAJOR PROGRAMMING SOURCES

These charts reflect the distribution of *all television viewing* (Mon-Sun, 24 hrs/day) among the major programming sources. For example, of all the viewing that takes place in cable households (center pie), 39% is to cable programming, 34% is to broadcast network, 15% is to affiliates (non-network programming) and 16% is to independents. Below the pie is a more detailed breakdown of viewership for each of these program sources.

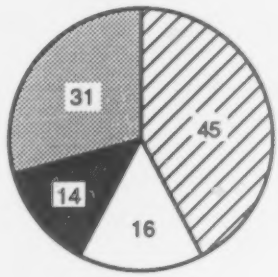
TOTAL TV HH



ALL CABLE HH



PAY CABLE HH



BROADCAST NETWORK AFFILIATES	
NETWORK PROGRAMMING	%
PRIMETIME	17
DAYTIME	11
EARLY MORNING	2
LATE NIGHT	3
WEEKEND MORNING	2
WEEKEND DAY	4
TOTAL	39
NON-NETWORK PROGRAMMING	19
TOTAL AFFILIATES	58
CABLE PROGRAMMING	
BASIC	17
PAY	7
TOTAL	24
INDEPENDENTS	
LOCAL	14
DISTANT	2
SUPERSTATIONS*	4
TOTAL	20
PUBLIC	
TOTAL	3

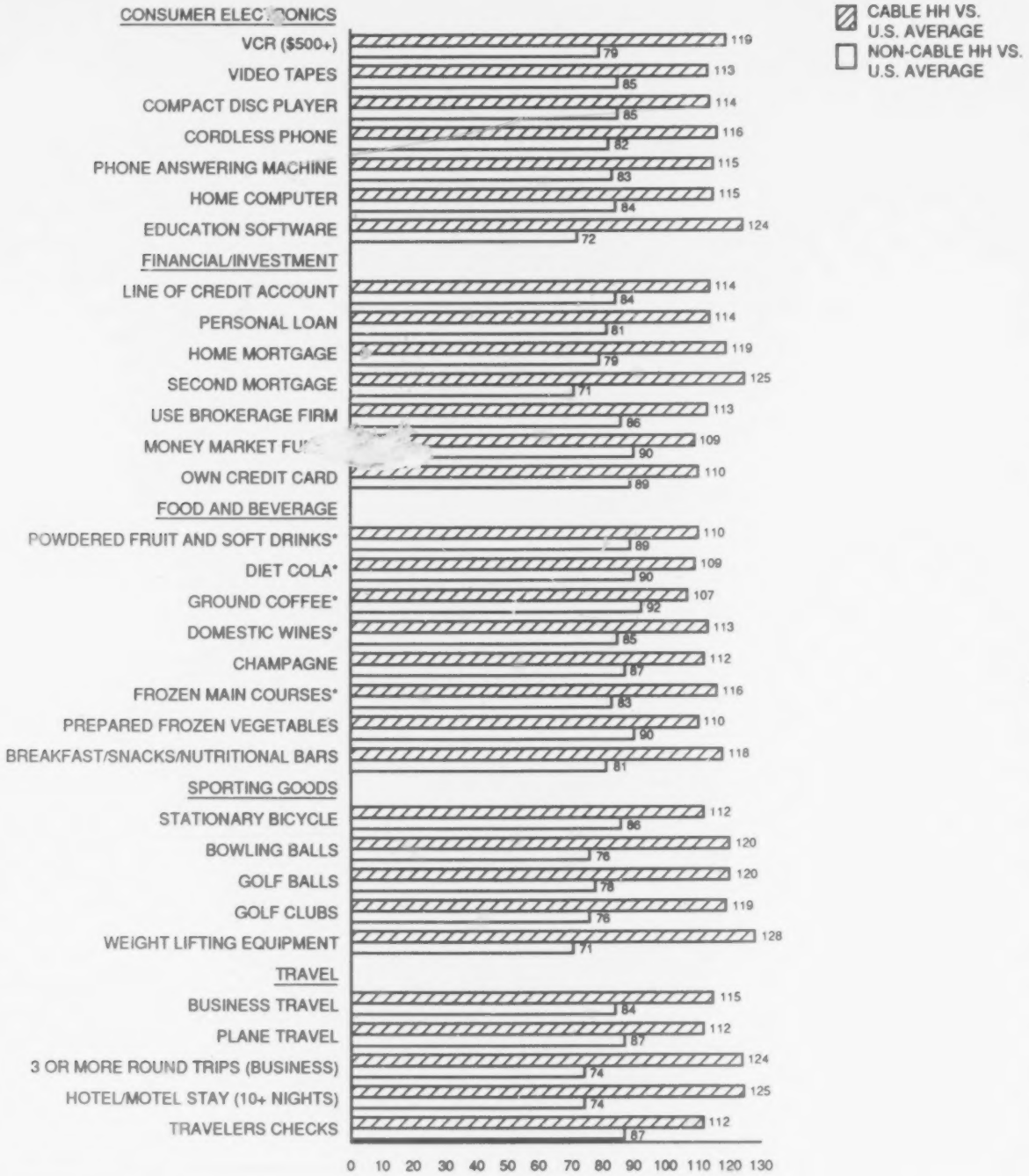
BROADCAST NETWORK AFFILIATES	
NETWORK PROGRAMMING	%
PRIMETIME	14
DAYTIME	10
EARLY MORNING	2
LATE NIGHT	3
WEEKEND MORNING	2
WEEKEND DAY	3
TOTAL	34
NON-NETWORK PROGRAMMING	15
TOTAL AFFILIATES	49
CABLE PROGRAMMING	
BASIC	28
PAY	11
TOTAL	39
INDEPENDENTS	
LOCAL	9
DISTANT	2
SUPERSTATIONS*	5
TOTAL	16
PUBLIC	
TOTAL	3

BROADCAST NETWORK AFFILIATES	
NETWORK PROGRAMMING	%
PRIMETIME	13
DAYTIME	9
EARLY MORNING	2
LATE NIGHT	3
WEEKEND MORNING	2
WEEKEND DAY	2
TOTAL	31
NON-NETWORK PROGRAMMING	14
TOTAL AFFILIATES	45
CABLE PROGRAMMING	
BASIC	27
PAY	18
TOTAL	45
INDEPENDENTS	
LOCAL	10
DISTANT	2
SUPERSTATIONS*	4
TOTAL	16
PUBLIC	
TOTAL	2

*Superstation—a local station that sends its signal via satellite to subscribing cable systems throughout the country

Source: Cabletelevision Advertising Bureau, Inc., Cable TV Facts, 1990

CONSUMPTION OF SELECT PRODUCTS IN CABLE HOUSEHOLDS VS. NON-CABLE HOUSEHOLDS


CABLE HH VS. U.S. AVERAGE
NON-CABLE HH VS. U.S. AVERAGE
CONSUMER ELECTRONICS
VCR ($500+) 119 79
VIDEO TAPES 113 85
COMPACT DISC PLAYER 114 85
CORDLESS PHONE 116 82
PHONE ANSWERING MACHINE 115 83
HOME COMPUTER 115 84
EDUCATION SOFTWARE 124 72
FINANCIAL/INVESTMENT
LINE OF CREDIT ACCOUNT 114 84
PERSONAL LOAN 114 81
HOME MORTGAGE 119 79
SECOND MORTGAGE 125 71
USE BROKERAGE FIRM 113 86
MONEY MARKET FU 109 90
OWN CREDIT CARD 110 89
FOOD AND BEVERAGE
POWDERED FRUIT AND SOFT DRINKS* 110 89
DIET COLA* 109 90
GROUND COFFEE* 107 92
DOMESTIC WINES* 113 85
CHAMPAGNE 112 87
FROZEN MAIN COURSES* 116 83
PREPARED FROZEN VEGETABLES 110 90
BREAKFAST/SNACKS/NUTRITIONAL BARS 118 81
SPORTING GOODS
STATIONARY BICYCLE 112 86
BOWLING BALLS 120 78
GOLF BALLS 120 78
GOLF CLUBS 119 76
WEIGHT LIFTING EQUIPMENT 128 71
TRAVEL
BUSINESS TRAVEL 115 84
PLANE TRAVEL 112 87
3 OR MORE ROUND TRIPS (BUSINESS) 124 74
HOTEL/MOTEL STAY (10+ NIGHTS) 125 74
TRAVELERS CHECKS 112 87
0 10 20 30 40 50 60 70 80 90 100 110 120 130

*DENOTES HEAVY USE

Source: Cabletelevision Advertising Bureau, Inc., Cable TV Facts, 1990

CABLE SUBSCRIBER DEMOGRAPHICS VS. USERS OF OTHER MEDIA

Cable offers advertisers an important competitive edge over other media. Cable viewers are younger, better educated, more affluent, hold higher level employment, and live in larger households. The following statistics are based on a 1989 index of the total population.

HOUSEHOLD INCOME	TOTAL U.S.	CABLE NET-WORK*	PRIME TIME TV	RADIO	NEWS-PAPER	MAGA-ZINE
$60,000+	100	125	96	108	112	109
$40,000–$60,000	100	115	99	106	106	106
$20,000–$40,000	100	104	101	101	102	102
Under $20,000	100	72	101	90	87	89
EDUCATION						
COLLEGE GRADUATE	100	113	102	108	110	109
ATTENDED COLLEGE	100	114	97	106	108	108
HS GRADUATE	100	103	102	102	102	102
NOT HS GRADUATE	100	78	99	88	85	85
OCCUPATION						
EXECUTIVE/ MANAGERIAL/ ADMINISTRATIAVE	100	130	99	111	110	107
PROFESSIONAL	100	108	98	109	111	110
OTHER EMPLOYED	100	99	96	104	96	98
NOT EMPLOYED	100	87	102	88	95	94
HOUSEHOLD SIZE						
3 + PERSONS	100	108	99	105	101	103
2	100	97	103	95	101	98
1	100	70	97	92	93	91
AGE						
18–34	100	104	97	110	98	104
35–54	100	108	100	103	104	102
55+	100	86	105	83	98	92

*Any viewing past week.

Source: Cabletelevision Advertising Bureau, Inc., Cable TV Facts, 1990

NATIONAL GROWTH IN CABLE SUBSCRIBERS AND HOUSEHOLD PENETRATION 1980–1989

YEAR	CABLE SUBSCRIBERS (000)	HOUSEHOLD PENETRATION %	PAY SUBSCRIBERS (000)
1989	52,564	57.1	28,643
1988	48,637	53.8	28,114
1987	44,971	50.5	27,600
1986	42,237	48.1	23,709
1985	39,873	46.2	24,165
1984	37,291	43.7	22,375
1983	33,794	40.5	21,151
1982	29,341	35.0	17,311
1981	23,219	28.3	11,842
1980	17,671	22.6	7,599

• Cable penetration projected to reach 65% by 1992.

Source: Cabletelevison Advertising Bureau, Inc. Cable TV Facts, 1990

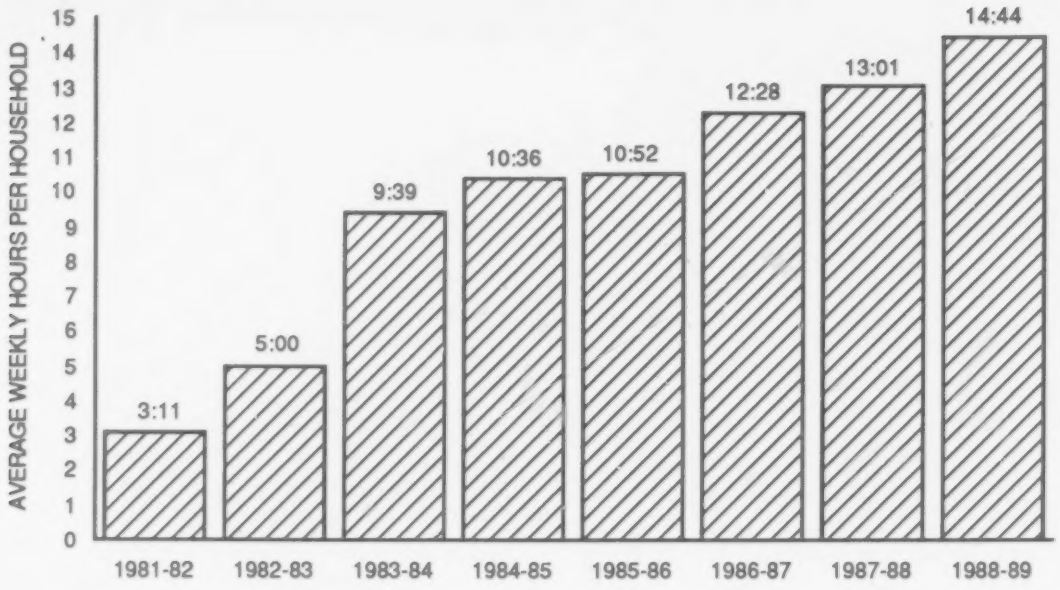
CABLE PENETRATION BY REGION (1980–1989)

NIELSEN MARKETING TERRITORY	PERCENT									
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
NEW ENGLAND	19	25	32	38	44	50	56	59	64	67
METRO NEW YORK	11	19	26	28	30	33	34	36	41	46
MIDDLE ATLANTIC	27	32	39	43	45	48	50	52	56	61
EAST CENTRAL	23	28	36	43	46	48	50	52	54	57
METRO CHICAGO	1	2	8	15	21	24	29	33	39	41
WEST CENTRAL	19	24	31	38	41	44	46	48	51	52
SOUTHEAST	21	27	35	41	44	46	48	50	53	56
SOUTHWEST	22	28	37	45	47	50	50	50	53	54
GREATER LOS ANGELES	12	16	22	25	29	34	36	38	41	48
REMAINING PACIFIC	28	33	38	43	46	49	49	51	54	57

Source: Cabletelevision Advertising Bureau, Inc., Cable TV Facts, 1990

CABLE TV VIEWING HOURS PER HOUSEHOLD PER WEEK

CABLE TV VIEWING HOURS HAS RISEN ALMOST 40% SINCE 1985



Source: Cabletelevision Advertising Bureau, Inc., Cable TV Facts, 1990

LISTS/DATABASES

CONSUMER ATTITUDES

TRENDS

PROJECTIONS

The following charts are taken from *The Equifax Report on Consumers in the Information Age*, a national opinion study exploring public and leadership experiences with, and attitudes toward, the use of personal information in a wide variety of contexts. The survey, consisting mainly of interviews conducted with a cross section of 2,254 Americans eighteen years of age and older, was conducted in early 1990.

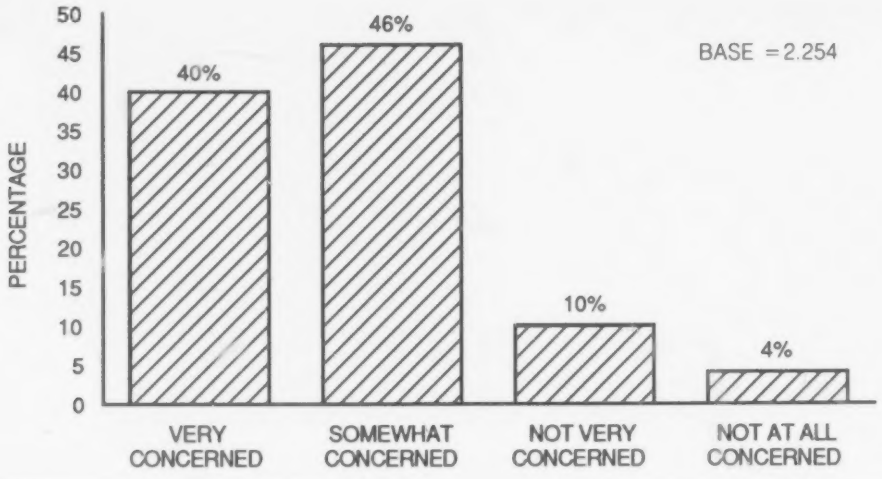
PUBLIC PERCEPTIONS OF USE OF NAMES AND ADDRESSES BY DIRECT MARKETERS

ACCEPTABLE OR UNACCEPTABLE

	Base	Acceptable %	Unacceptable %	Not Sure %
Total Public	2,253	67	31	2
Sex				
Male	1,018	67	30	2
Female	1,235	67	31	2
Age				
18–29 years	505	79	20	1
30–49 years	990	70	28	2
50 years and over	734	54	42	4
Education				
Less than high school	264	62	35	3
High school graduate	794	69	30	2
Some college	570	67	31	3
College graduate	357	75	24	1
Postgraduate	253	64	34	2
Race				
White	1,934	66	31	2
Black	186	70	27	3
Hispanic	133	69	29	2
Household Member				
Bought/Responded to credit offer by mail	883	76	23	1
Hasn't Bought/Responded to credit offer by mail	1,345	61	36	3

Source: Equifax, Inc., The Equifax Report on Consumers in the Information Age, 1990

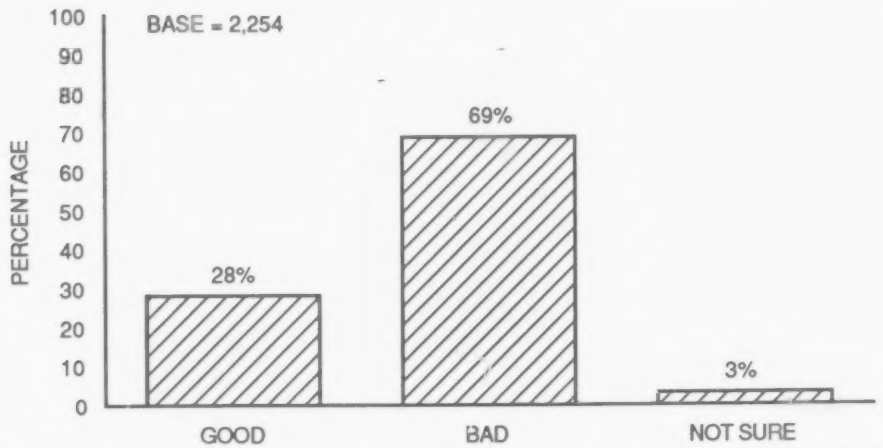
CONSUMER LEVEL OF CONCERN WITH SELLING LISTS OF CONSUMER CHARACTERISTICS



Source: Equifax, Inc. The Equifax Report on Consumers in the Information Age, 1990

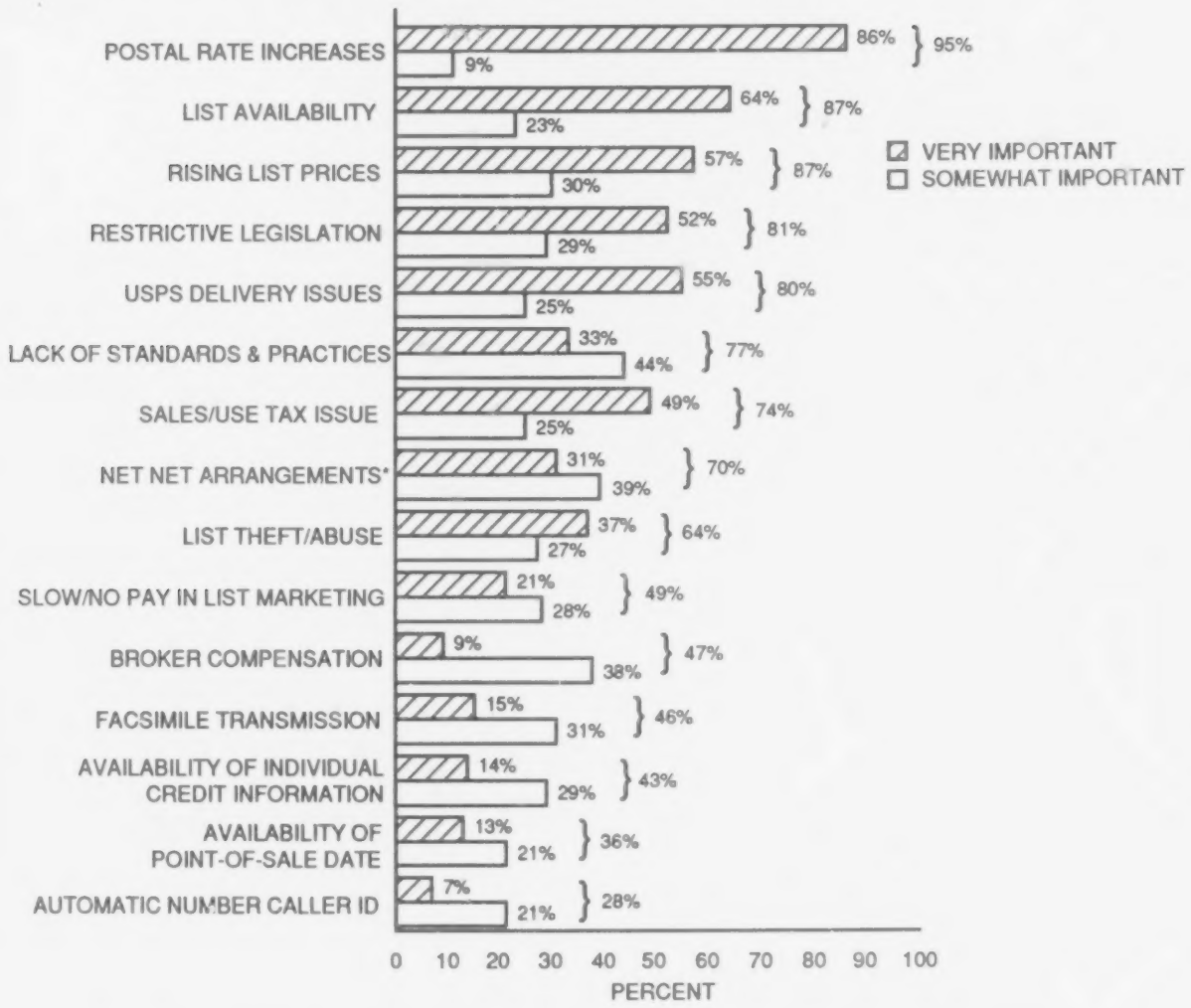
PUBLIC PERCEPTIONS OF LIST SELLING PRACTICES

IS IT GOOD OR BAD TO SELL LISTS OF CONSUMER CHARACTERISTICS?



Source: Equifax, Inc. The Equifax Report on Consumers in the Information Age, 1990

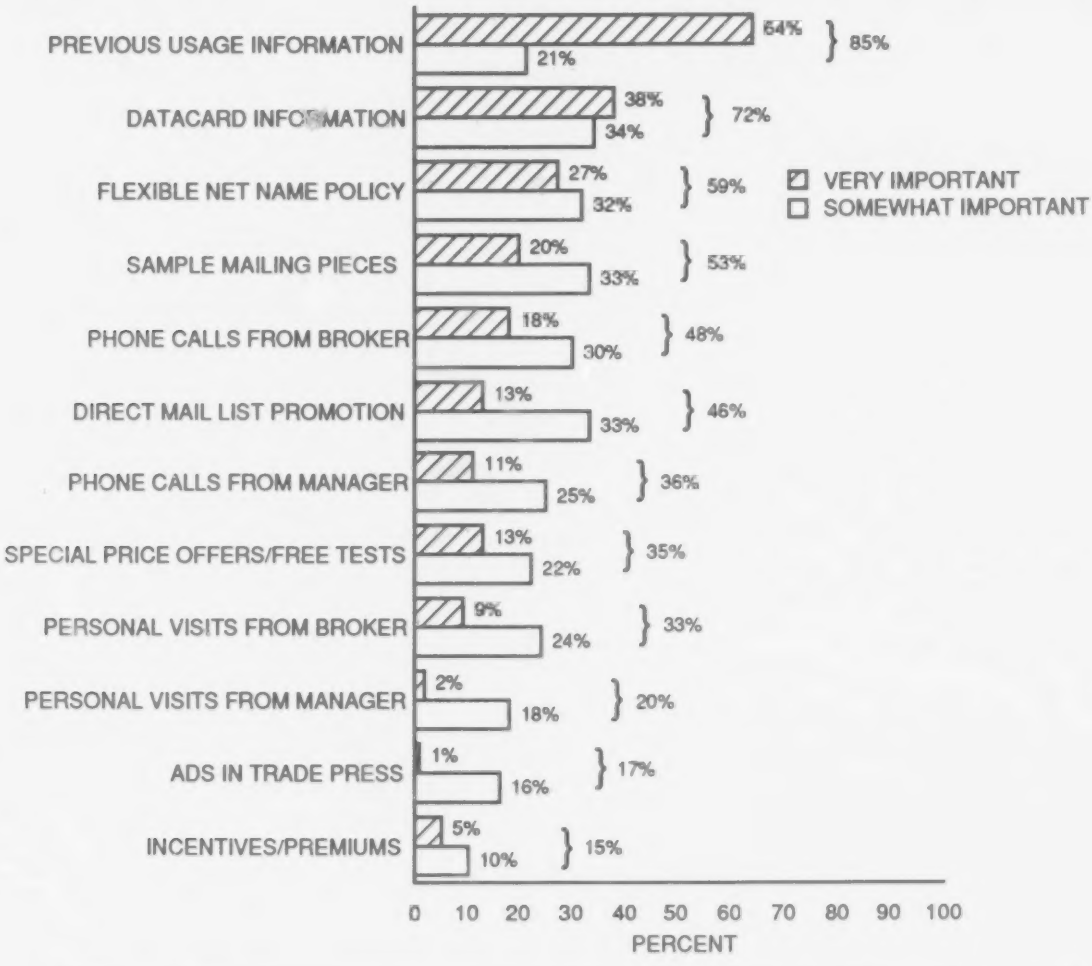
IMPORTANT ISSUES FACING LIST INDUSTRY IN 1989



*Net Name Arrangement—an agreement between list owner and list user in which the list owner agrees to accept payment for only names mailed rather than the total names shipped, plus a small running charge for names provided but not mailed. Typically a minimum is set (85% is frequently used).

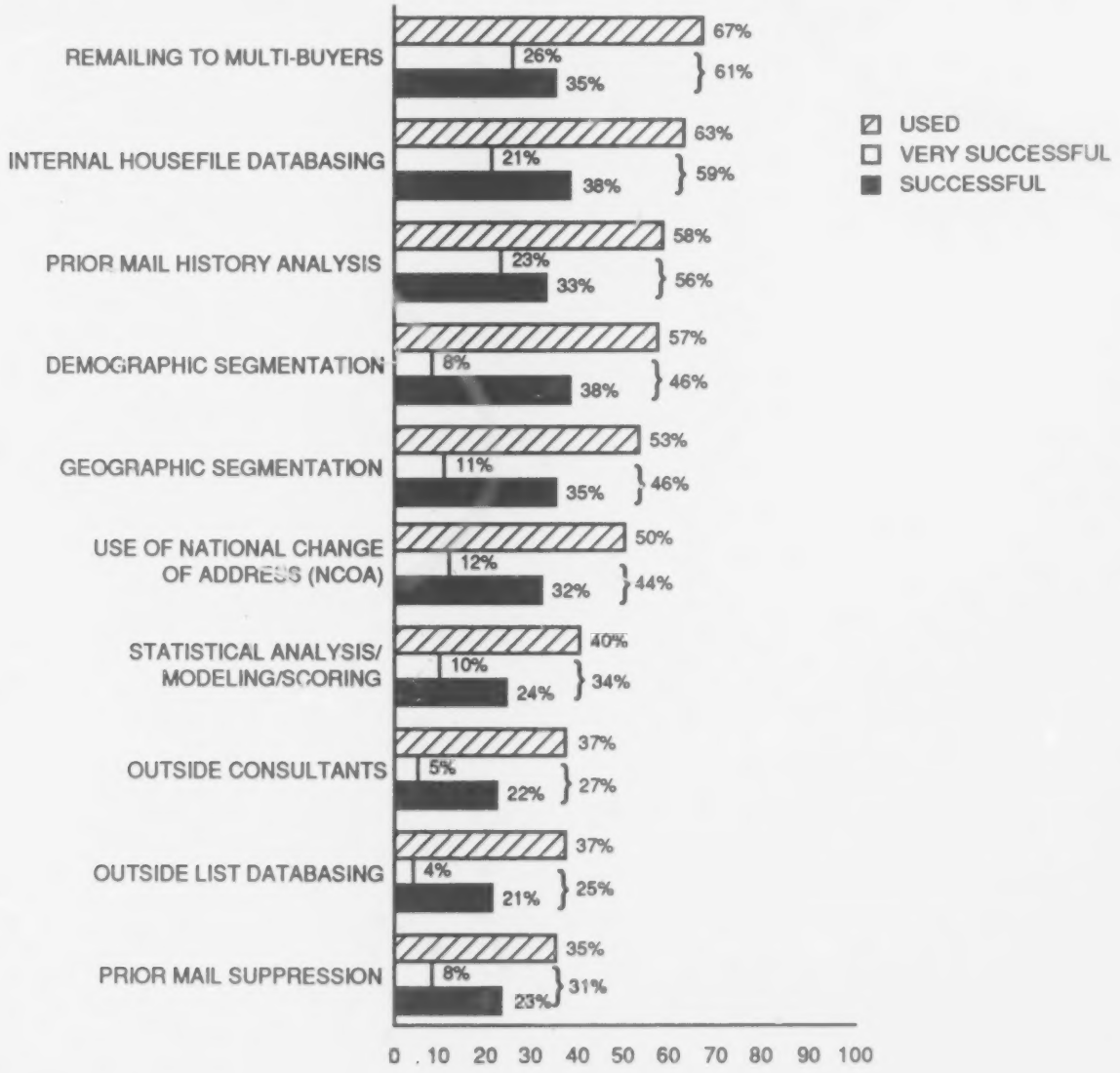
Source: DMA List Council/Research Department: 10th Annual List Usage Survey, 1990

IMPORTANT FACTORS INFLUENCING LIST SELECTION DECISIONS IN 1989



Source: DMA List Council/Research Department 10th Annual List Usage Survey, 1990

TOP TEN LIST TECHNIQUES USED TO IMPROVE UP–FRONT RESPONSE AND BACK–END PERFORMANCE

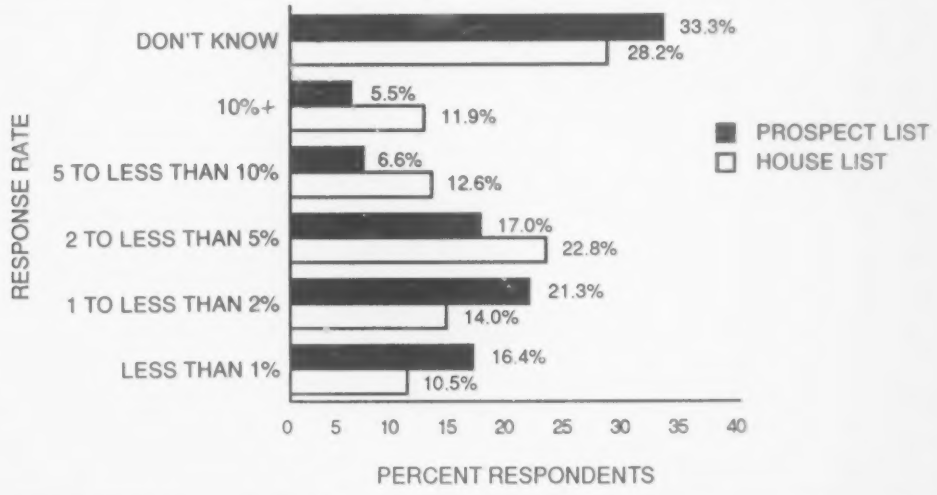


Source: DMA List Council/Research Department 9th & 10th Annual List Usage Survey, 1990

MINIMUM EXPECTED RATE OF RESPONSE IN DIRECT MAIL PROMOTION

The Reponse Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.

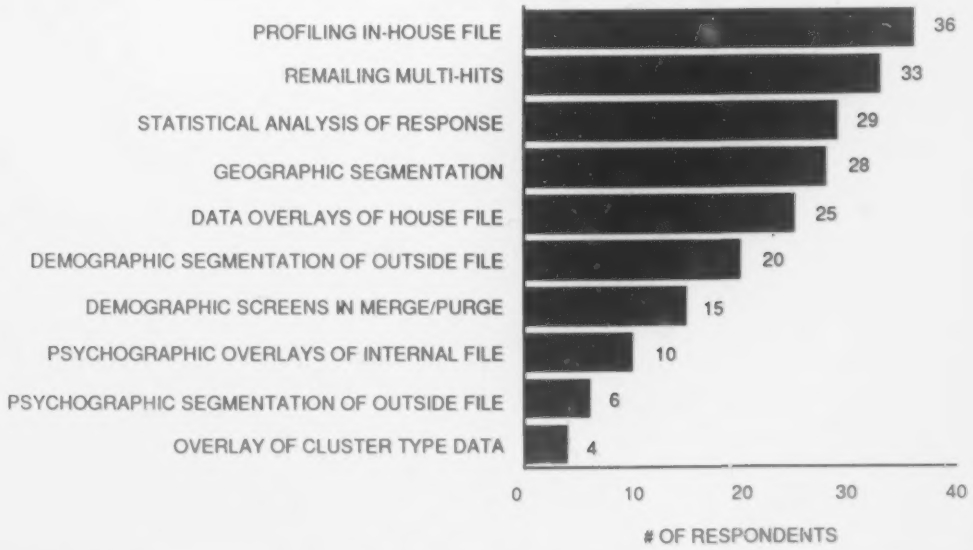
Minimum threshold response rates average about 3.25% for House Lists and 1.85% for Prospect Lists



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

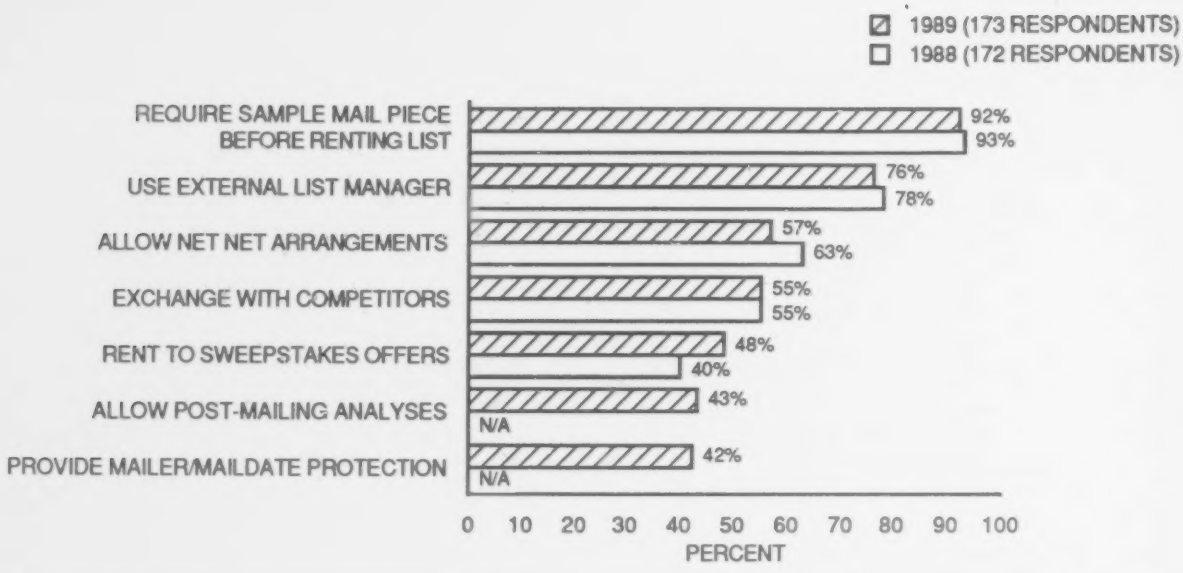
RESPONSE IMPROVEMENT TECHNIQUES

Indicate those response improvement techniques you have used and would rate successful.


PROFILING IN-HOUSE FILE 36
REMAILING MULTI-HITS 33
STATISTICAL ANALYSIS OF RESPONSE 29
GEOGRAPHIC SEGMENTATION 28
DATA OVERLAYS OF HOUSE FILE 25
DEMOGRAPHIC SEGMENTATION OF OUTSIDE FILE 20
DEMOGRAPHIC SCREENS IN MERGE/PURGE 15
PSYCHOGRAPHIC OVERLAYS OF INTERNAL FILE 10
PSYCHOGRAPHIC SEGMENTATION OF OUTSIDE FILE 6
OVERLAY OF CLUSTER TYPE DATA 4
0 10 20 30 40
OF RESPONDENTS

Source: Donnelley Marketing Third Annual Survey of List Practices, 1989

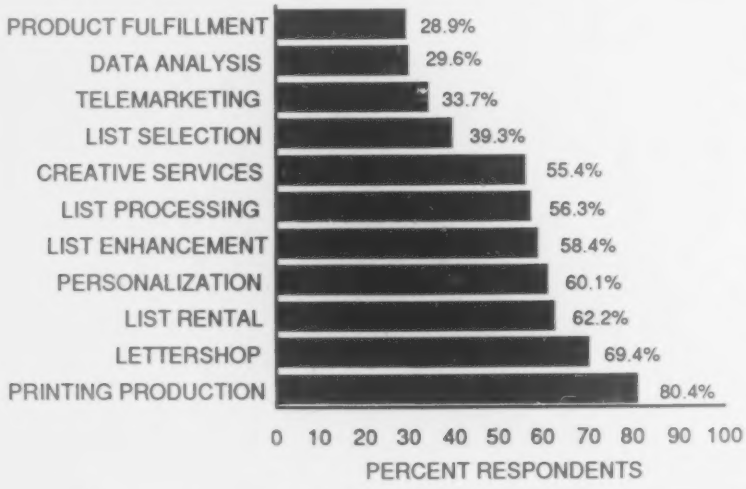
TRENDS IN LIST PRACTICES UTILIZED: 1989 vs. 1988



Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

PERCENT OF DIRECT MAIL SERVICES HANDLED BY OUTSIDE SUPPLIERS (EITHER PARTIALLY OR WHOLLY)

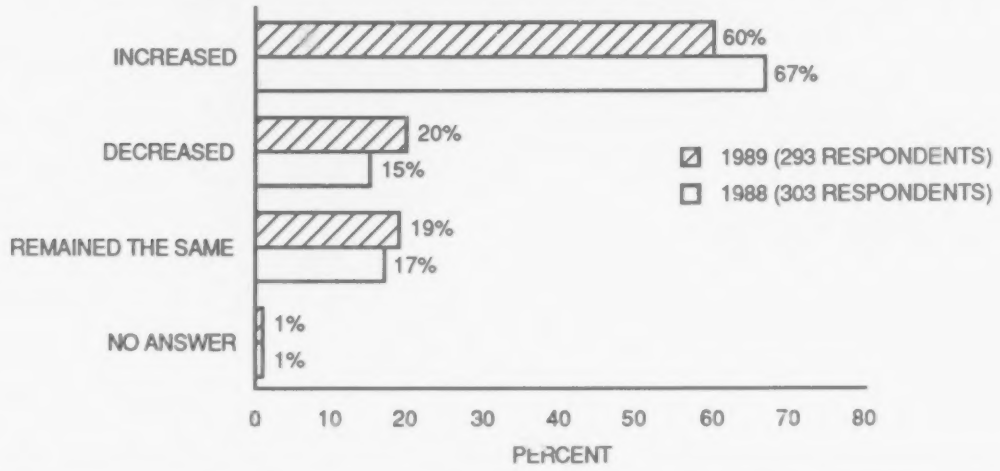
The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

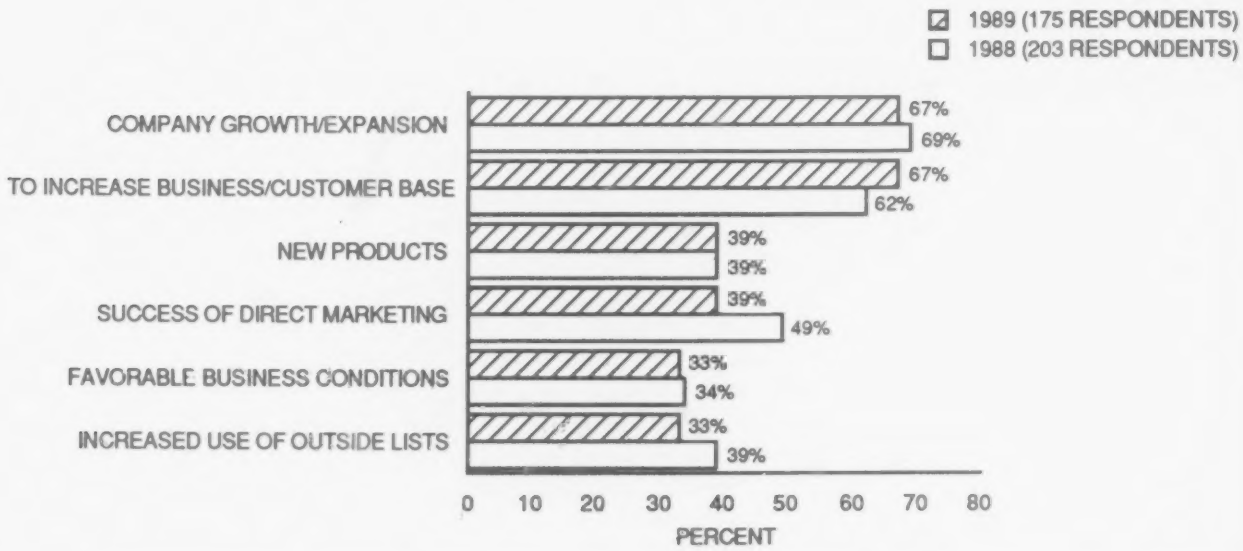
TRENDS IN OVERALL MAILING QUANTITIES: 1989 vs. 1988

In 1989, mailers continued to be more conservative in mailing quantities, as the percentage rate for increasing quantities dropped 7 percentage points to 60%.



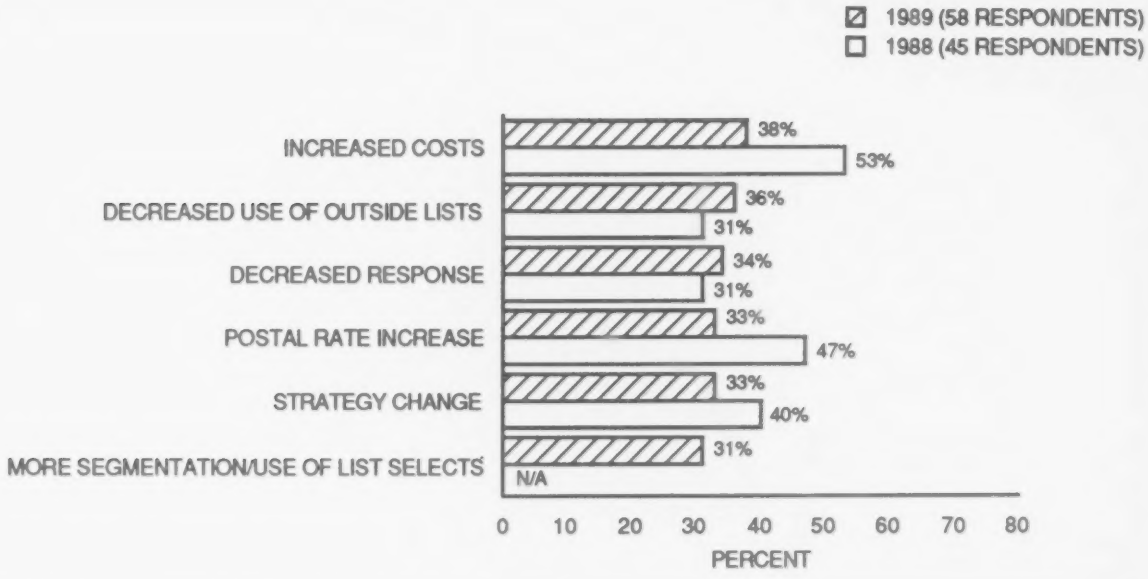
Source: DMA List Council/Research Department 9th & 10th Annual List Usage Survey, 1989, 1990

TOP SIX REASONS FOR MAILING QUANTITIES INCREASING: 1989 vs. 1988



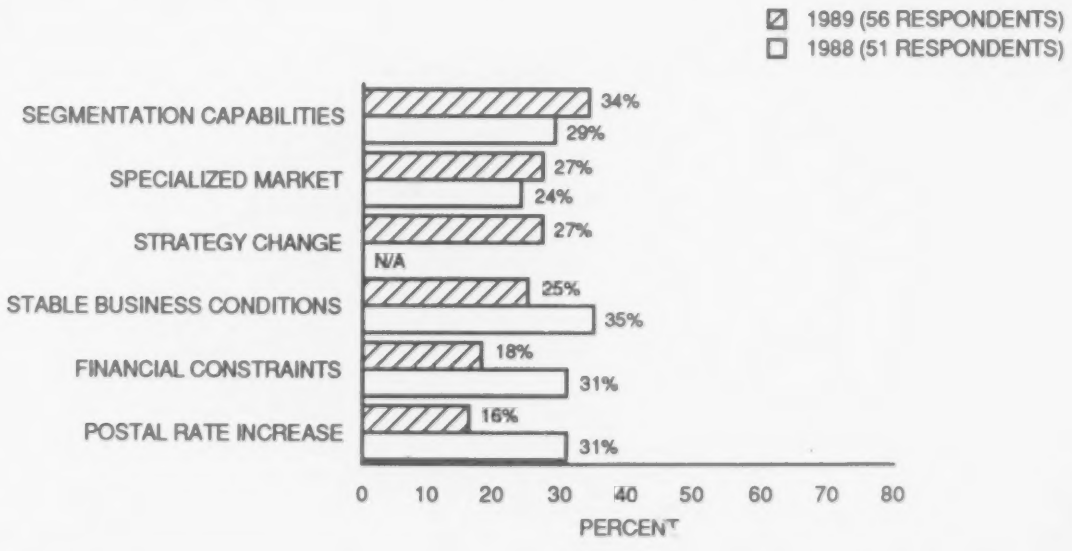
Source: DMA List Council/Research Department 9th & 10th Annual List Usage Survey, 1989, 1990

TOP SIX REASONS FOR MAILING QUANTITIES DECREASING: 1989 vs. 1988



Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

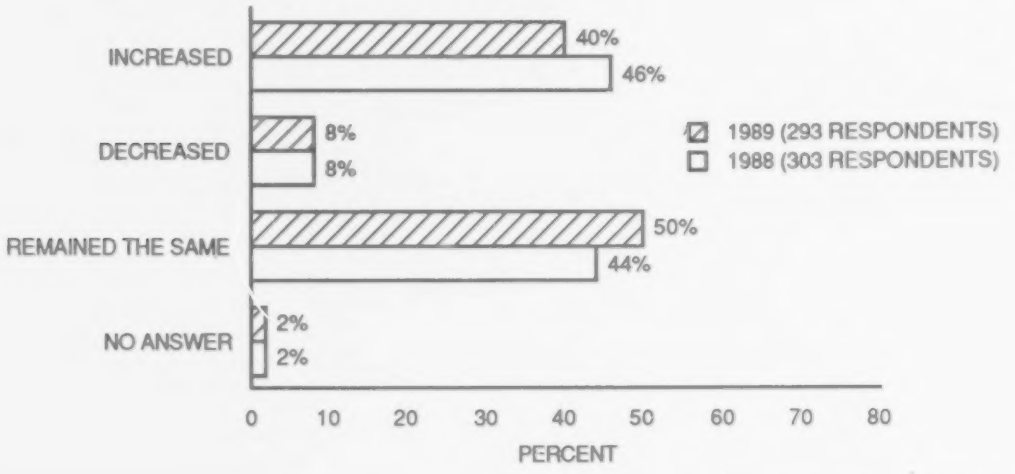
TOP SIX REASONS FOR MAILING QUANTITIES STAYING STABLE: 1989 vs. 1988



Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

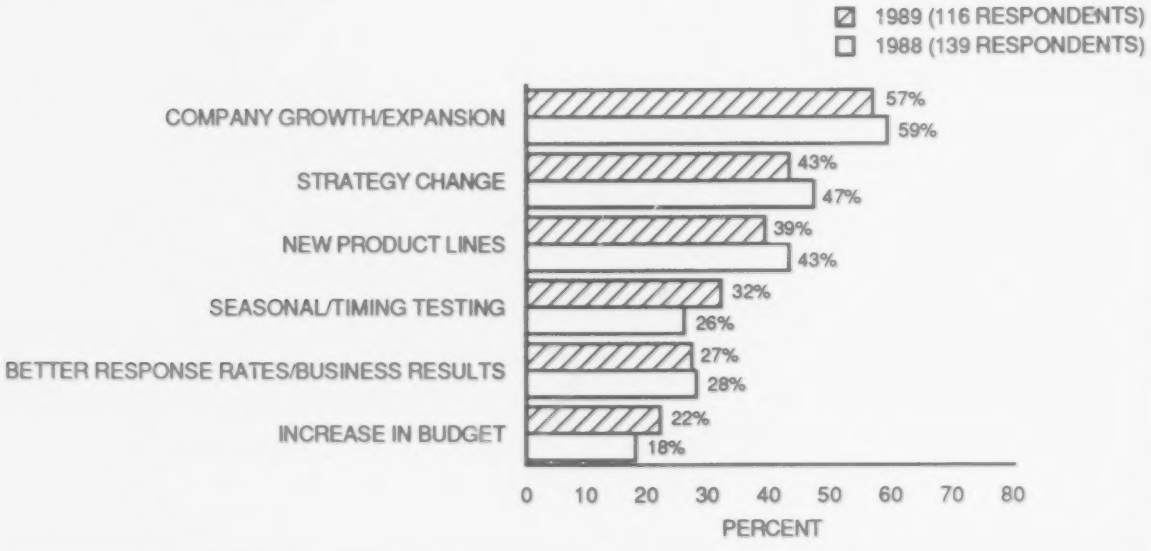
TRENDS IN STATUS OF MAILING FREQUENCY: 1989 vs. 1988

The rate of increased mailing frequency dropped by 6% from 1988, while the rate of decreased mailing frequency remained the same.



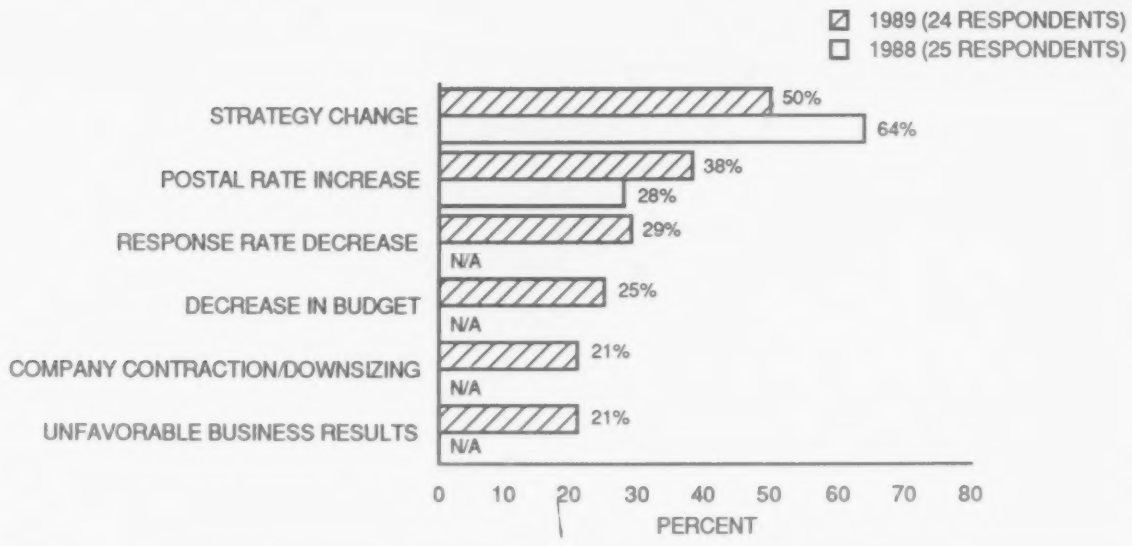
Source: DMA List Council/Research Department, 9th & 10th Annual List Usage Survey, 1989, 1990

TOP SIX REASONS FOR INCREASES IN MAILING FREQUENCY: 1989 vs. 1988



Source: DMA List Council/Research Department, 9th & 10th Annual List Usage Survey, 1989, 1990

TOP SIX REASONS FOR DECREASES IN MAILING FREQUENCY: 1989 vs. 1988

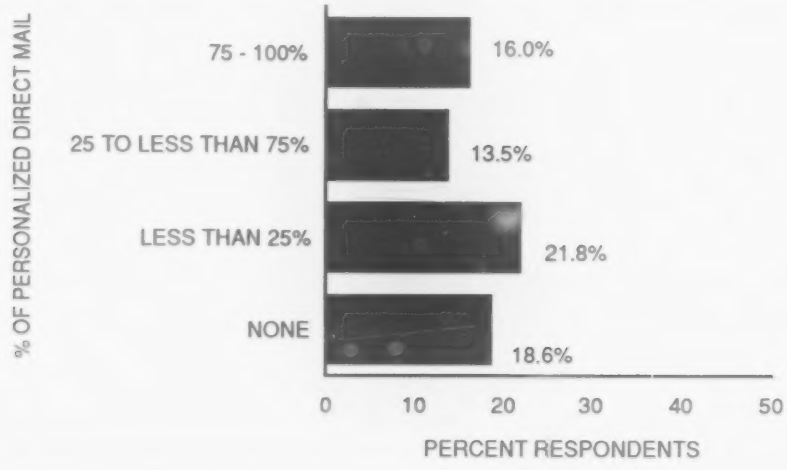


Source: DMA List Council/Research Department. 9th & 10th Annual List Usage Survey. 1989, 1990

PERCENT OF DIRECT MAIL THAT IS PERSONALIZED

The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.

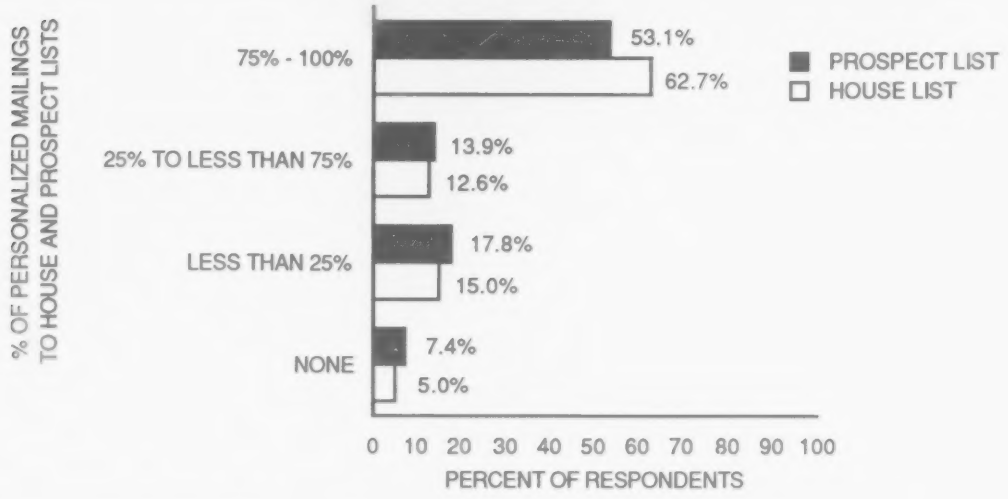
Over 60% of direct mail is personalized to some extent, and of that portion, 75% is personalized more than superficially.



Source: Marketing Logistics and Response Graphics (Division of Moore). 1989

PERCENT OF PERSONALIZED MAILINGS TO HOUSE AND PROSPECT LISTS

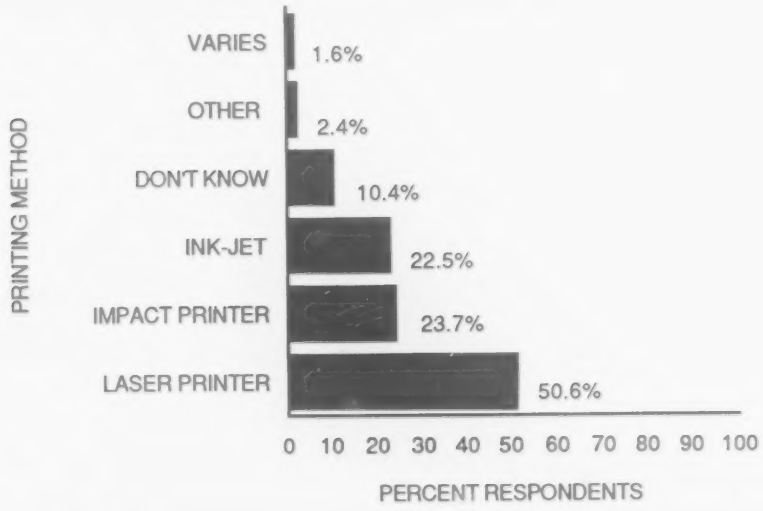
The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

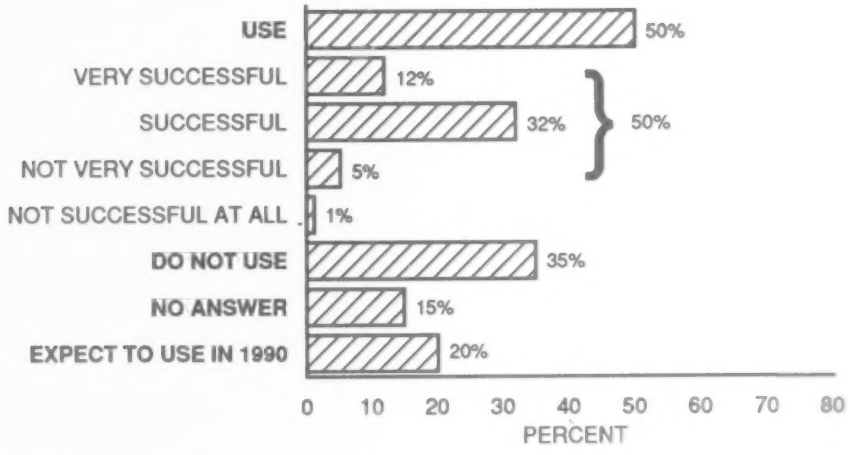
MOST COMMON PRINTING METHOD FOR PERSONALIZATION

The Response Graphics Survey of the Direct Mail Production Services Industry was conducted by telephone from December 1988 to February 1989 among 450 companies.



Source: Marketing Logistics and Response Graphics (Division of Moore), 1989

USAGE OF NCOA: 1989

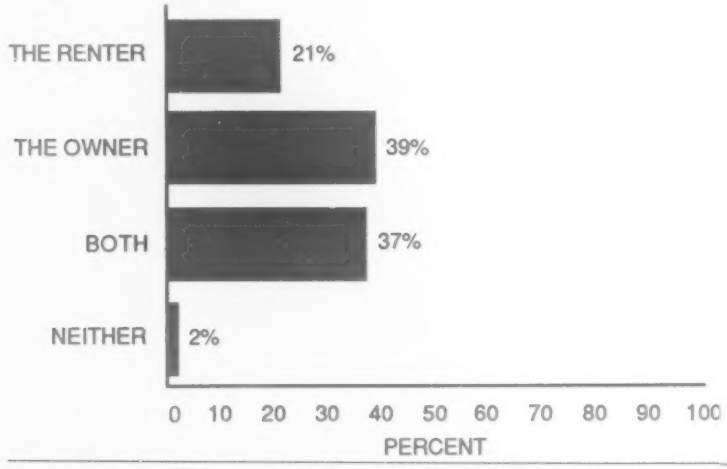


Source: DMA List Council/Research Department 9th & 10th Annual List Usage Survey, 1990

OWNERSHIP OF NCOA PROCESSED ADDRESSES

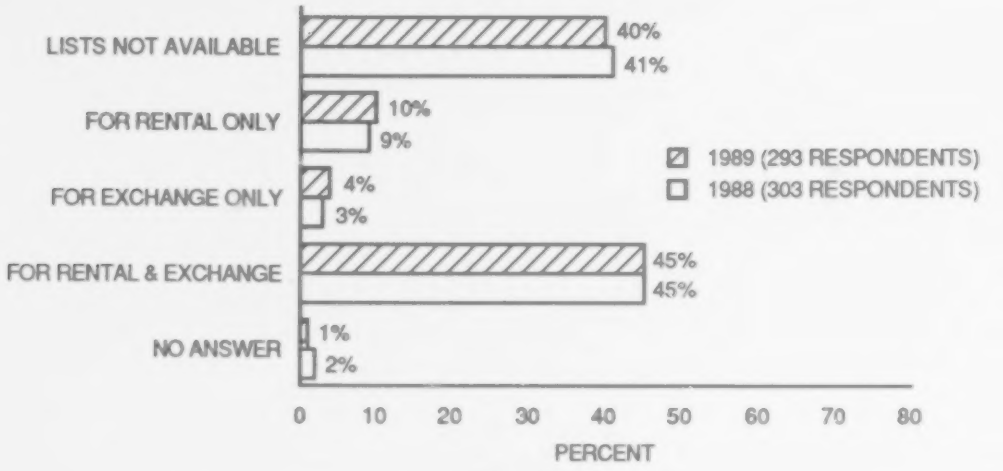
NCOA = National Change of Address

If a rented list is run through the USPS National Change of Address System, to whom do the new addresses belong?



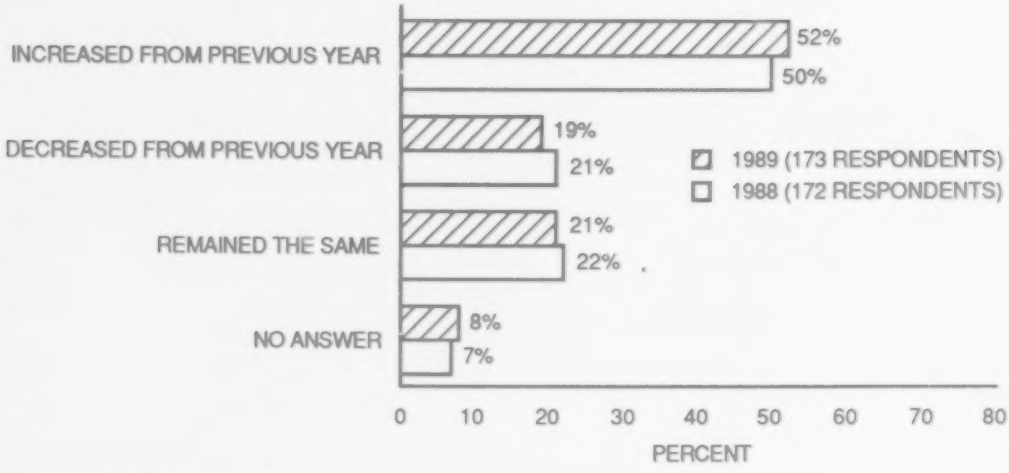
Source: Donnelley Marketing, Survey of List Practices, 1988

TRENDS IN LIST RENTAL PRACTICES: LIST AVAILABILITY: 1989 vs. 1988



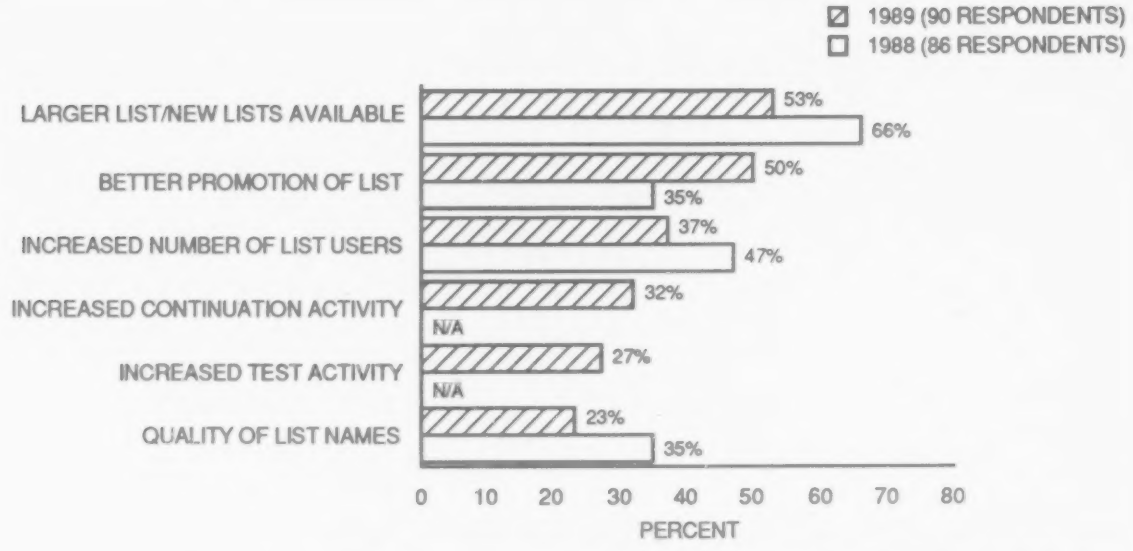
Source: DMA List Council/Research Department. 9th & 10th Annual List Usage Survey. 1989. 1990

TRENDS IN LIST RENTAL INCOME: 1989 vs. 1988



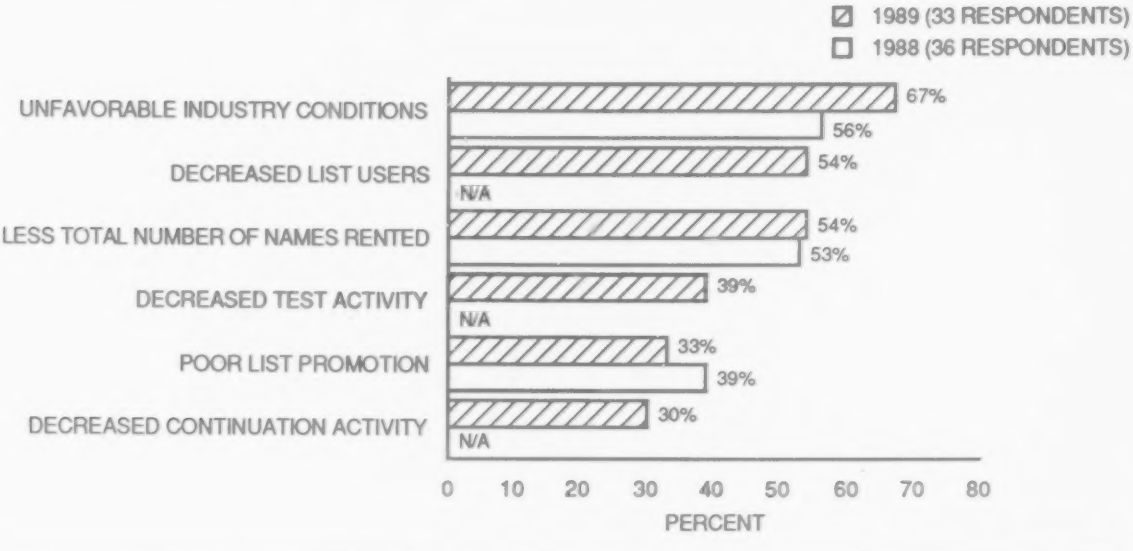
Source: DMA List Council/Research Department. 9th & 10th Annual List Usage Survey. 1989. 1990

TOP SIX REASONS FOR INCREASED LIST RENTAL INCOME: 1989 vs. 1988



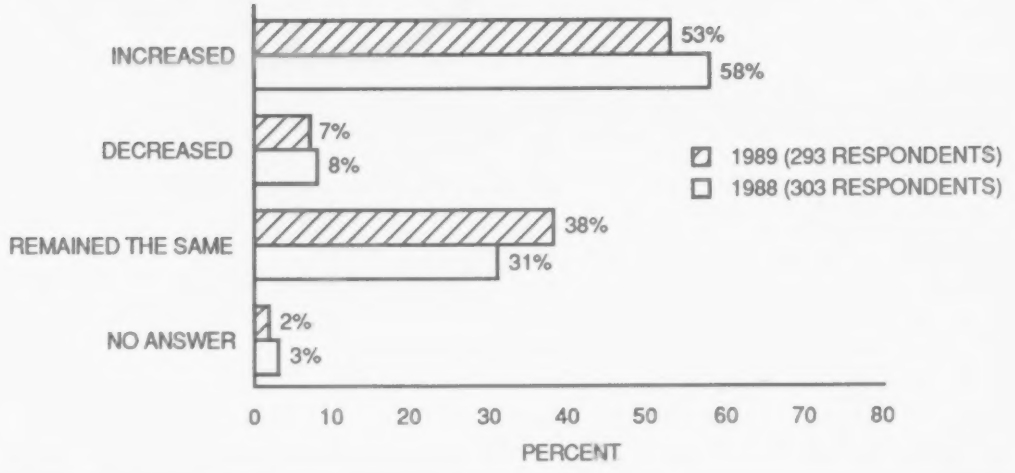
Source: DMA List Council/Research Department 9th & 10th Annual List Usage Survey, 1989, 1990

TOP SIX REASONS FOR DECREASED LIST RENTAL INCOME: 1989 vs. 1988



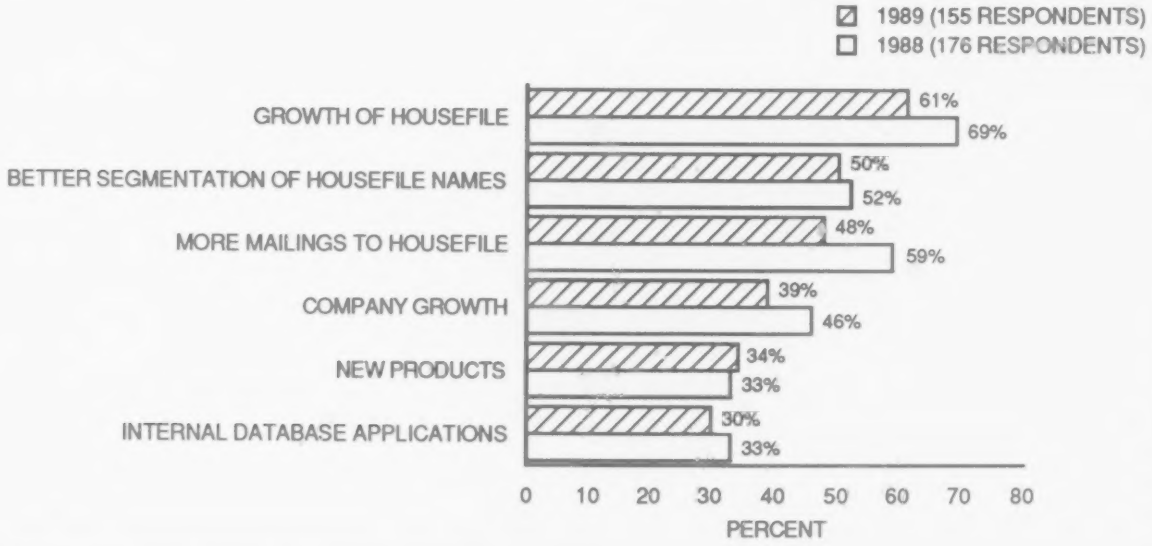
Source: DMA List Council/Research Department 9th & 10th Annual List Usage Survey, 1989, 1990

TRENDS IN HOUSEFILE USAGE: 1989 vs. 1988



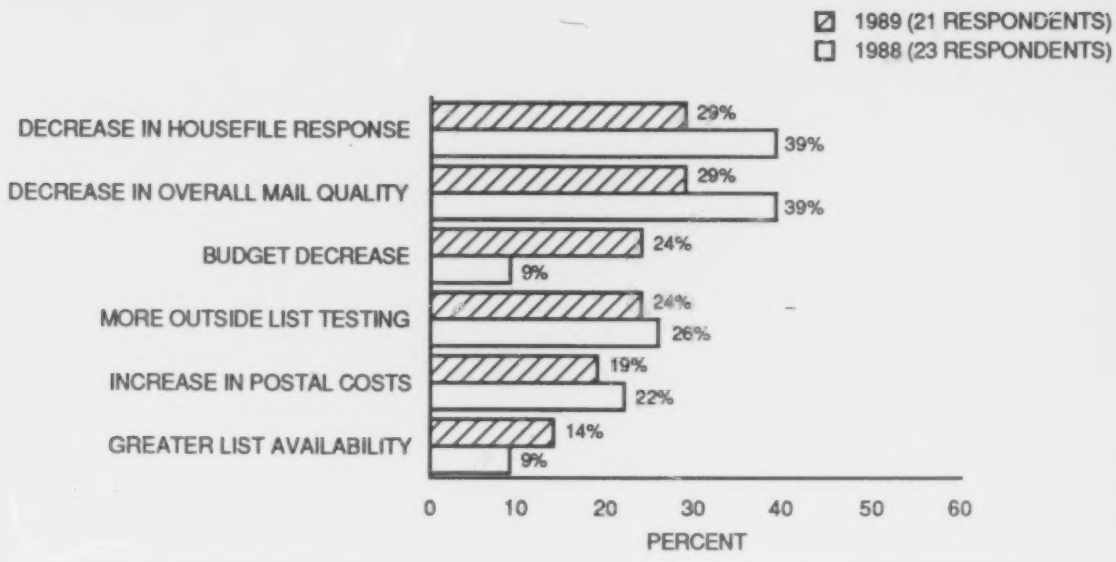
Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

TOP SIX REASONS FOR INCREASED HOUSEFILE USAGE: 1989 vs. 1988



Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

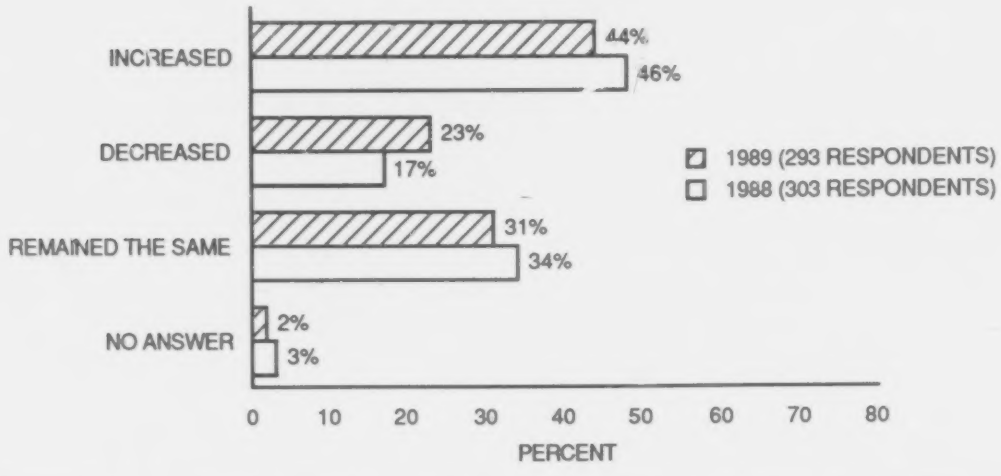
TOP SIX REASONS FOR DECREASED HOUSEFILE USAGE: 1989 vs. 1988



Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

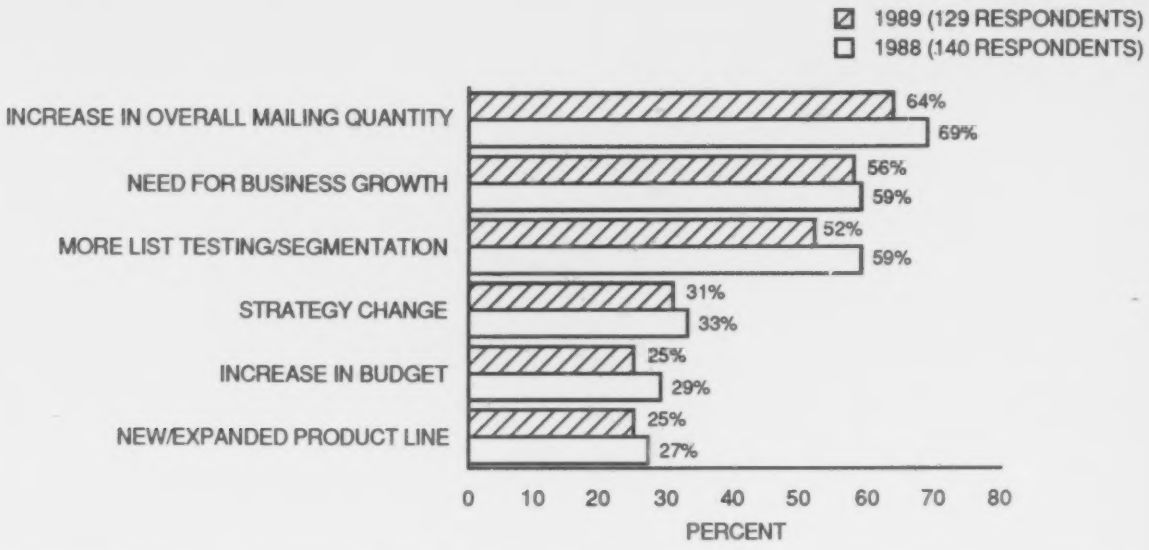
TRENDS IN OUTSIDE NAME USAGE: 1989 vs. 1988

The majority of mailers did not increase their usage of outside lists in 1989.



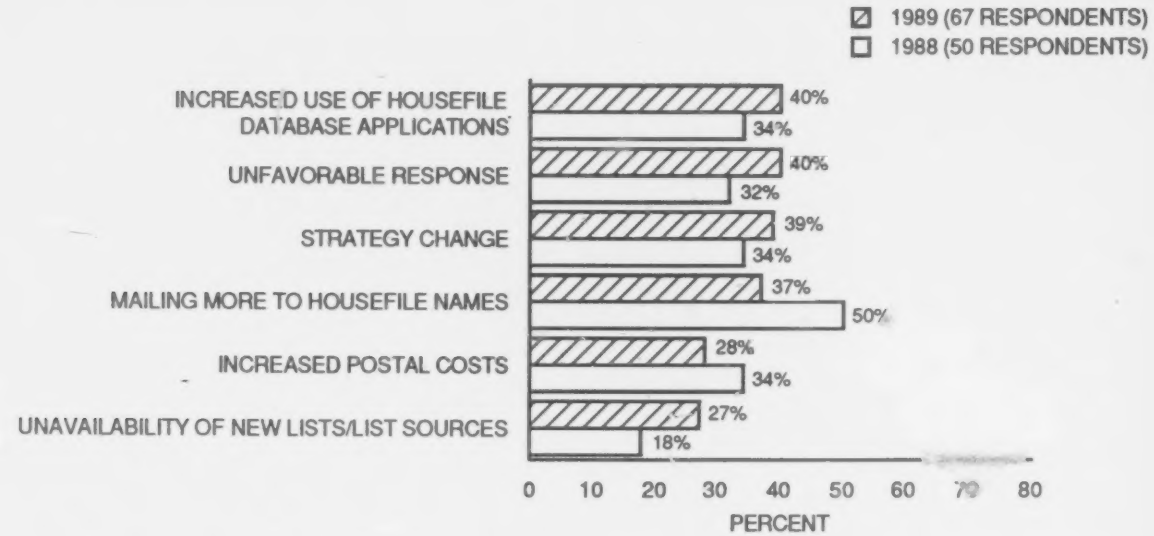
Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

TOP SIX REASONS FOR INCREASES IN OUTSIDE NAME USAGE: 1989 vs. 1988



Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

TOP SIX REASONS FOR DECREASES IN OUTSIDE NAME USAGE: 1989 vs. 1988



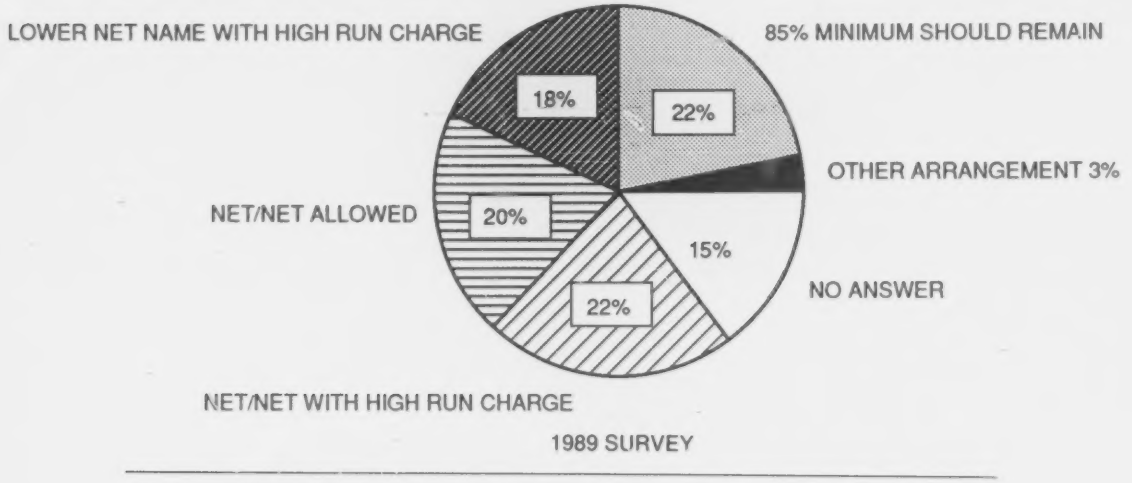
Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

SURVEY OF LIST PRACTICES

Many of the following charts are from the Donnelley Marketing Third Annual Survey of List Practices. This study was conducted in 1989 among 1400 industry professionals. 102 completed mail surveys were received and tabulated.

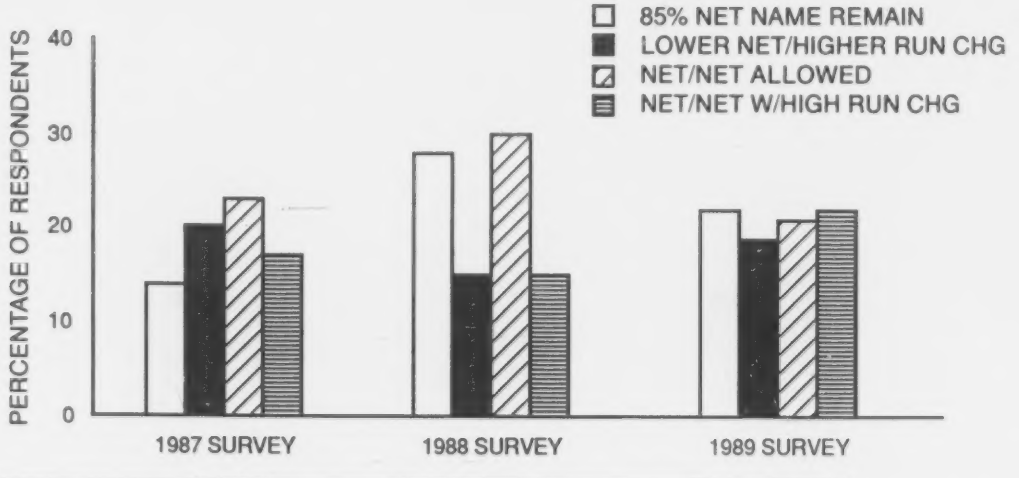
VIEWS ABOUT NET NAME ARRANGEMENTS

Net name arrangements are the ~~most discussed~~ topics in the list industry. A net name arrangement is an agreement whereby the list owner agrees to accept adjusted payment for less than the total names shipped to the list user.



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989.

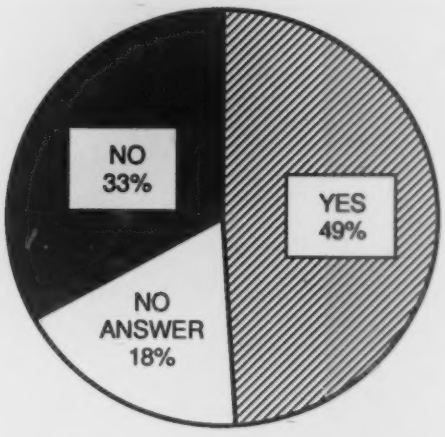
IDEAL SOLUTIONS CONCERNING NET NAME ARRANGEMENTS



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989.

SELECTION CHARGES AND COMMISSIONS

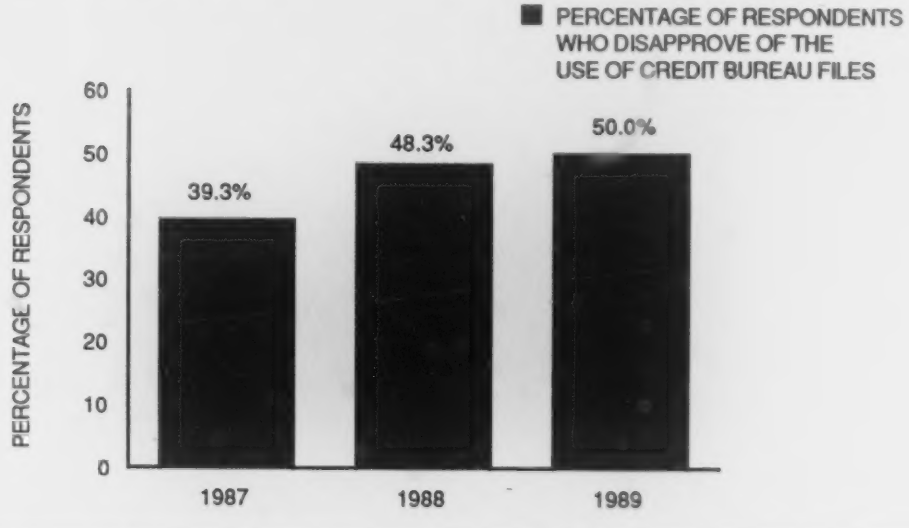
Should commissions be allowed on select charges?



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989.

DISAPPROVAL OF THE USE OF CREDIT BUREAU EXTRACT FILES

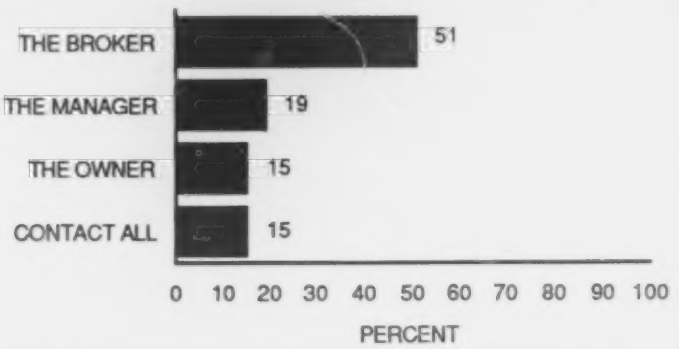
Do you feel credit bureau extract files are an appropriate use of credit information?



Source: Donnelley Marketing Third Annual Survey of List Practices, 1989.

RESPONSIBILITY IN CASES OF MAILING LIST MISUSE

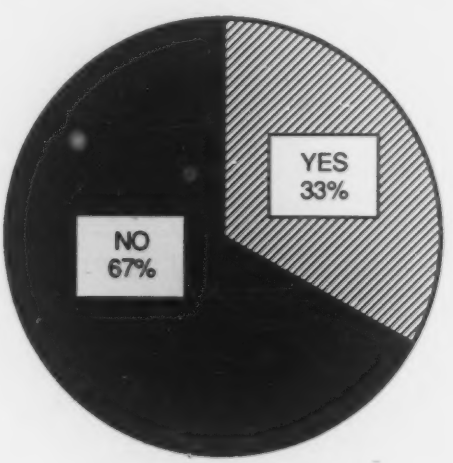
Whom should the service bureau contact if the mailer does anything with a list, other than that which was contractually agreed to?



Source: Donnelley Marketing, Survey of List Practices, 1986

EFFECTIVENESS OF AN INDUSTRY-WIDE DECOY SYSTEM*

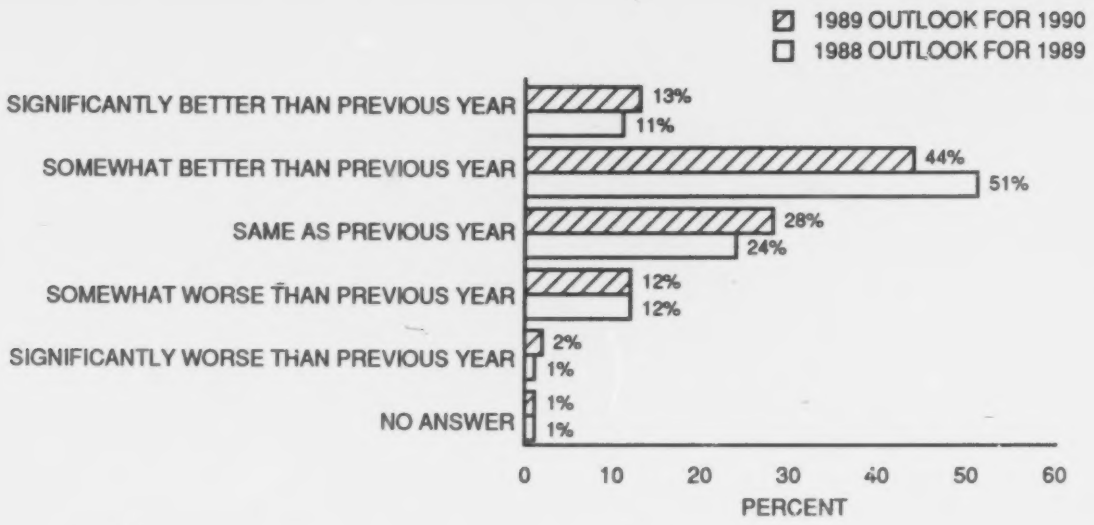
Do you think an industry-wide decoy system could be effective?



*Decoy—a unique name especially inserted into a mailing list for verification of list usage. It has characteristics such as an order number or a unique spelling of a name which indicate for which order it was used.

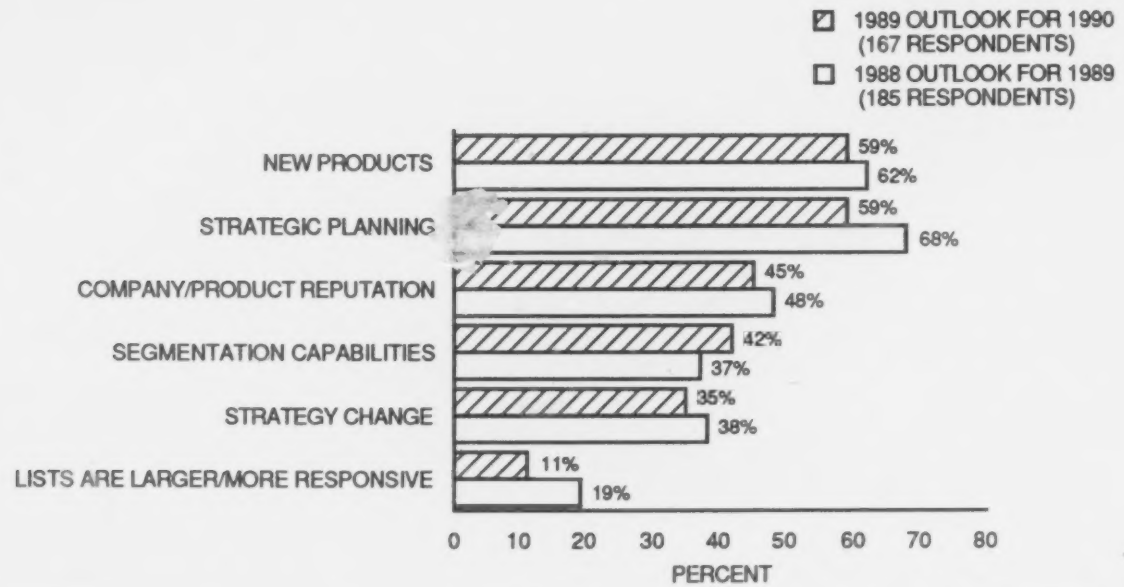
Source: Donnelley Marketing, Survey of List Practices, 1988

MARKET OUTLOOK FROM A LIST USER'S PERSPECTIVE



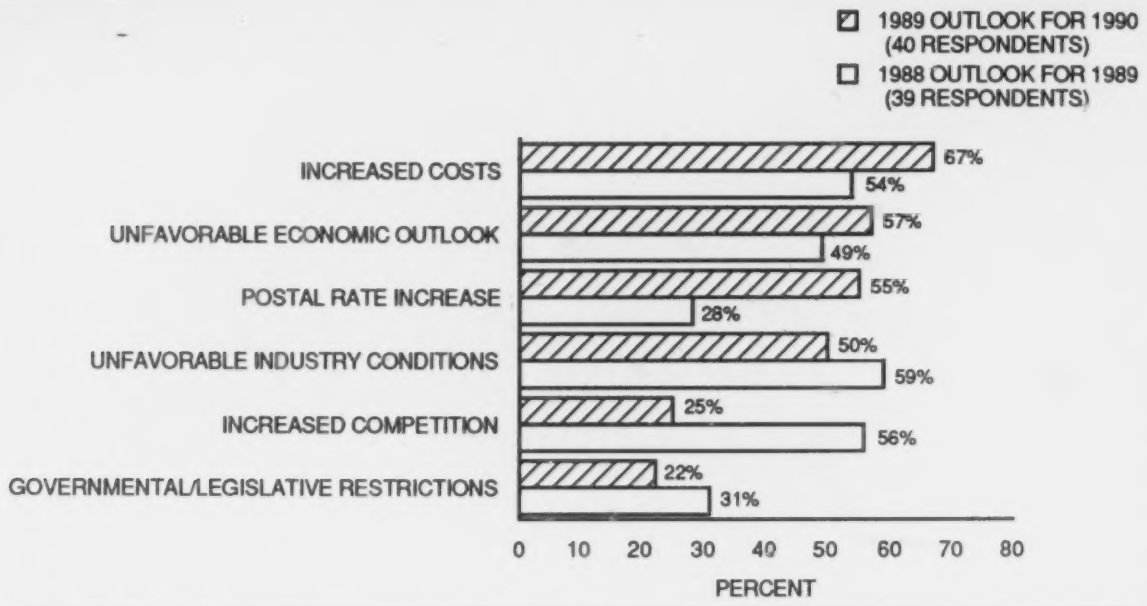
Source: DMA List Council/Research Department 9th & 10th Annual List Usage Survey, 1989, & 1990

TOP SIX REASONS FOR MAILING LIST USERS PREDICTING BETTER BUSINESS CONDITIONS



Source: DMA List Council/Research Department 9th & 10th Annual List Usage Survey, 1989, 1990

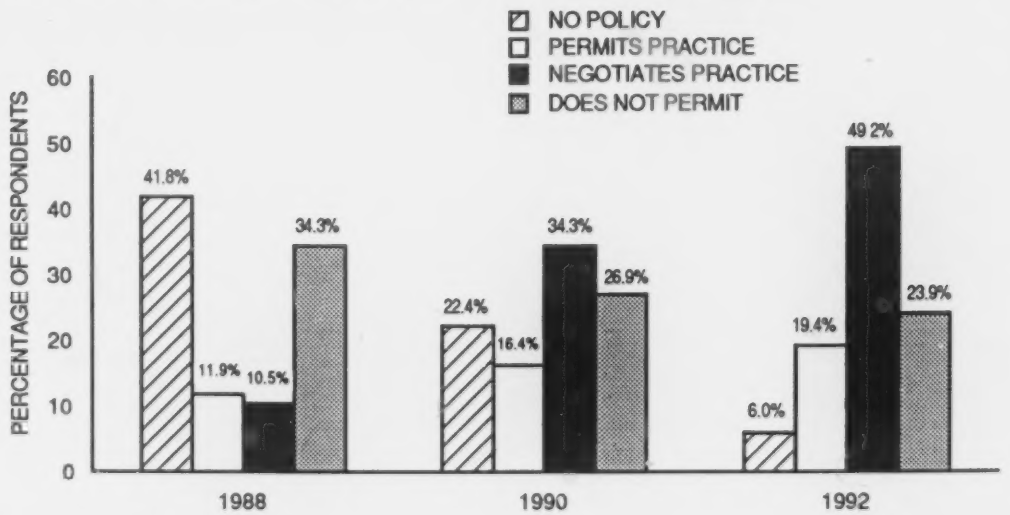
TOP SIX REASONS FOR MAILING LIST USERS PREDICTING WORSE BUSINESS CONDITIONS



Source: DMA List Council/Research Department: 9th & 10th Annual List Usage Survey, 1989, 1990

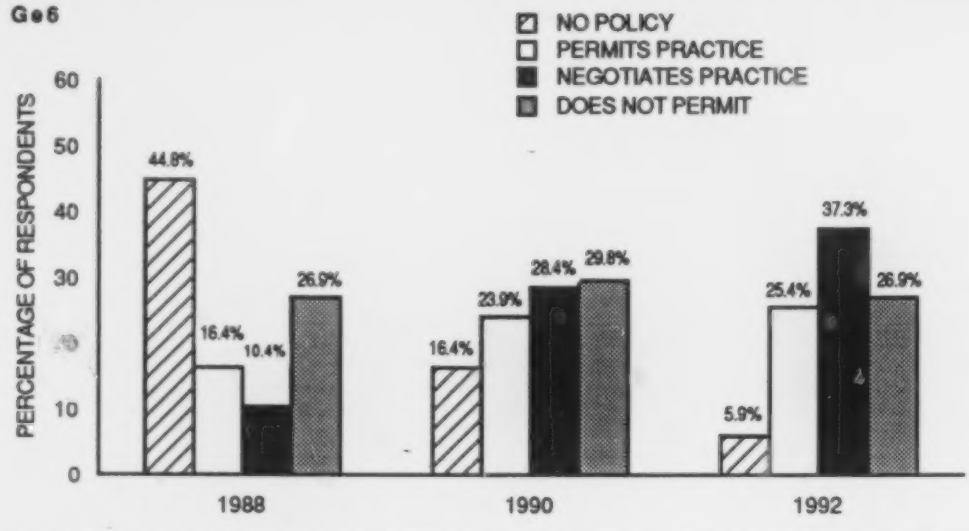
The List Practices Census was conducted by the DMA Research Department (in conjunction with the DMA List Council) in April, 1990 to track which list practices are used by firms when making their lists available to renters. A mail survey was sent to 287 List Practices Coordinators. A 26.5% response rate was achieved.

RETENTION OF MAILING TAPES FOR RESPONSE ANALYSIS



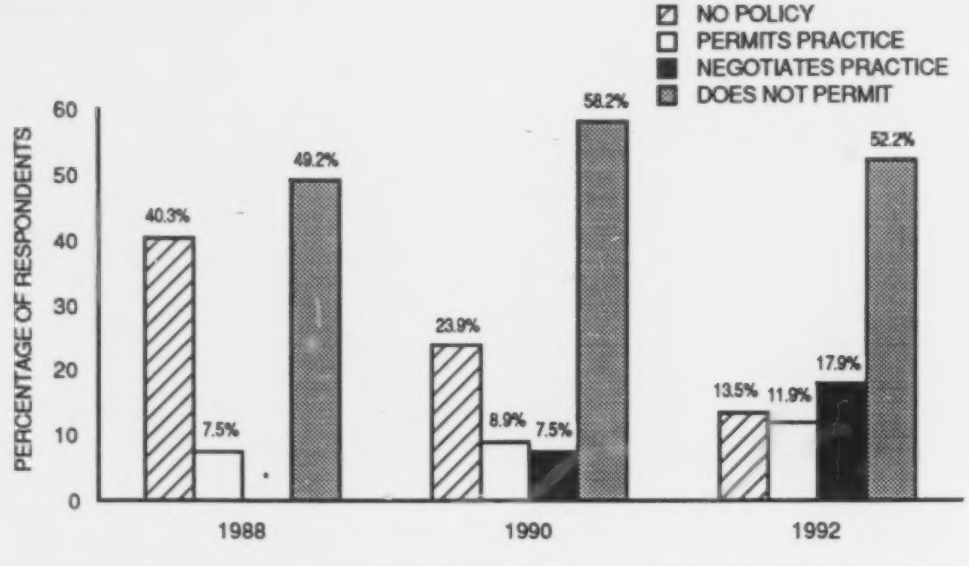
Source: DMA Research Department: List Practices Census, 1990

OVERLAYING ENHANCEMENT INFORMATION TO IMPROVE THE QUALITY OF THE ANALYSIS



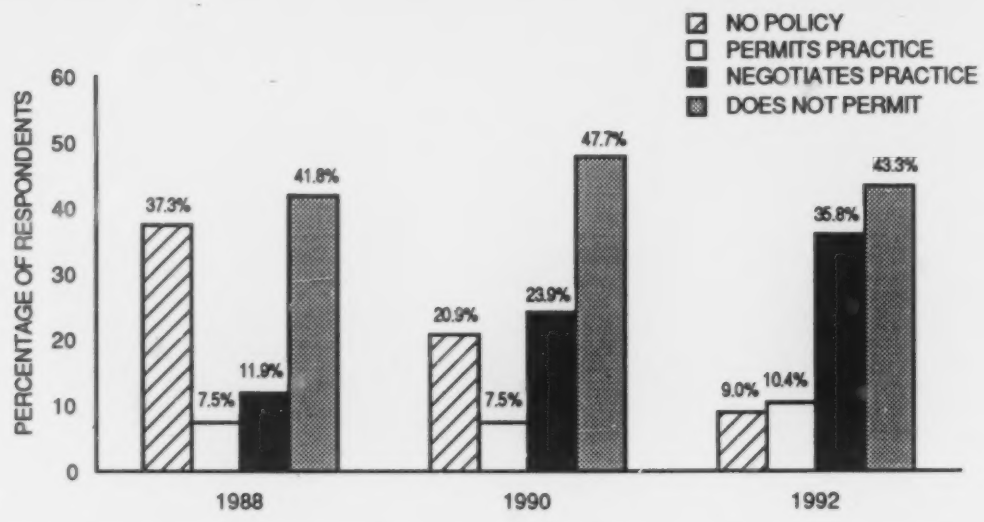
Source: DMA Research Department: List Practices Census, 1990

USE OF MATCHES FROM MERGE/PURGE TO ADD DATA TO USER'S CUSTOMER FILE



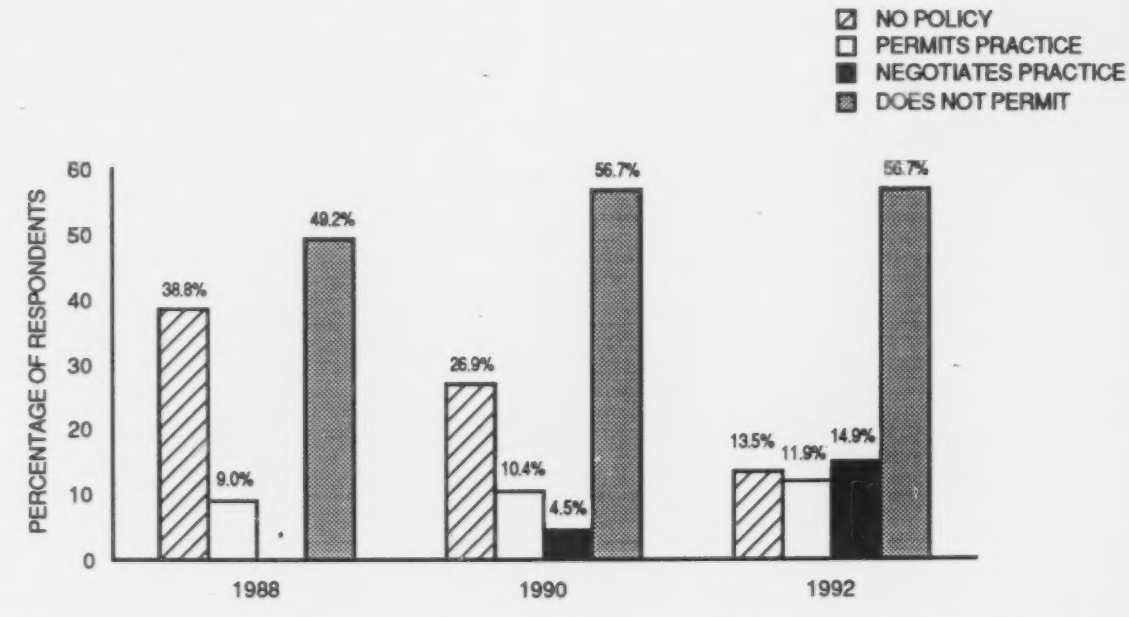
Source: DMA Research Department: List Practices Census, 1990

USE OF LIST SOLELY FOR INFORMATION, BUT NOT MAILING PURPOSES



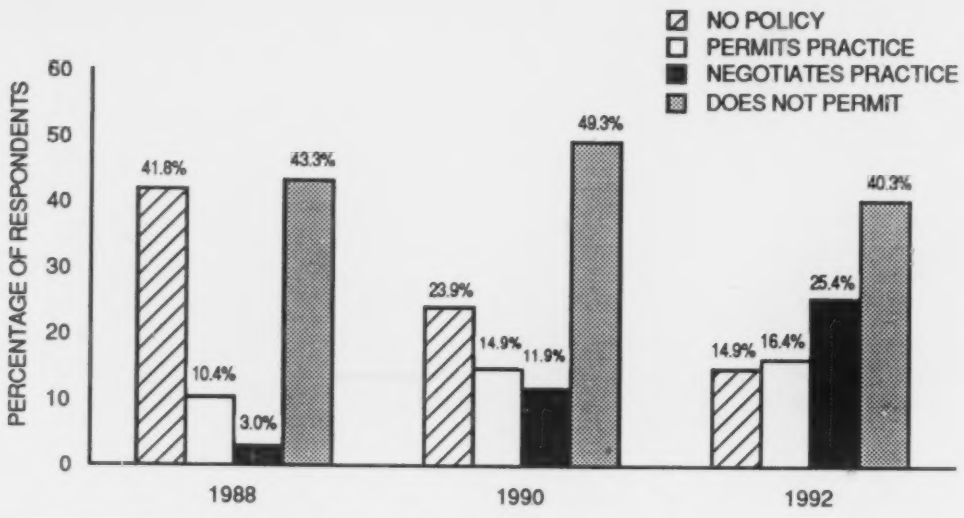
Source: DMA Research Department: List Practices Census, 1990

ADDRESS CORRECTION



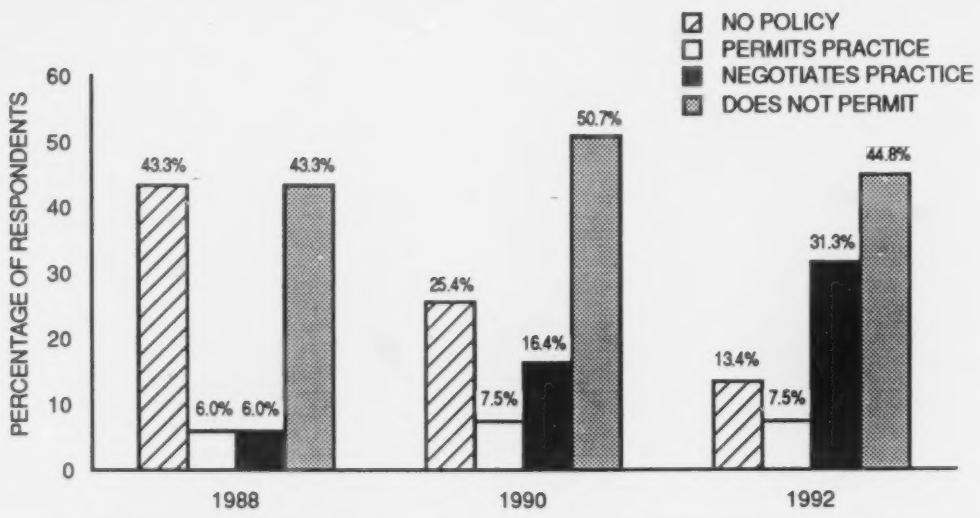
Source: DMA Research Department: List Practices Census, 1990

MARK MATCHES TO USER'S FILE (CUSTOMER NAMES IN CURRENT PROMOTION ONLY)



Source: DMA Research Department. List Practices Census, 1990.

MARK MATCHES TO USER'S FILE (CUSTOMER NAMES IN CURRENT PROMO & ADDED NAMES)



Source: DMA Research Department. List Practices Census, 1990.

MARKETS

- CONSUMER DEMOGRAPHICS
- BUSINESS-TO-BUSINESS
- FINANCIAL SERVICES
- CIRCULATION
- NON-PROFIT
- SPECIALIZED PRODUCTS/SERVICE MARKETS

• CONSUMER DEMOGRAPHICS

TRENDS

PROJECTIONS

ANNUAL EXPENDITURES BY AGE

Expense	Total Population	Age Less than 25	25–34	35–44	45–54	55–64	65–74	More than 74
Income before taxes	27,326	12,621	27,835	36,240	36,941	31,038	18,598	12,912
Average Annual Expenditures	24,414	14,368	24,177	31,473	31,708	25,707	18,888	12,230
Food	3,664	2,204	3,567	4,638	4,625	3,887	2,971	2,104
Alcoholic Beverages	289	310	353	359	336	257	164	74
Housing	7,569	4,307	8,099	9,835	8,985	7,290	5,965	4,521
Shelter	4,154	2,700	4,803	5,517	4,827	3,573	2,918	2,306
Utilities, fuels, and public services	1,671	813	1,500	1,975	2,068	1,901	1,597	1,323
Household operations and furnishings	1,403	645	1,484	1,952	1,650	1,422	1,099	657
Housekeeping supplies	341	149	312	391	440	394	352	235
Apparel and services	1,446	887	1,442	2,006	1,943	1,392	1,035	545
Transportation	4,600	3,409	4,543	5,943	6,221	4,998	3,274	1,393
Vehicles	2,022	1,688	2,019	2,698	2,760	2,168	1,269	422
Gasoline and motor oil	888	609	894	1,108	1,180	976	667	332
Other transportation expenses	1,690	1,112	1,630	2,137	2,281	1,854	1,338	639
Health care	1,135	338	766	1,085	1,255	1,383	1,688	1,596
Retirement, pensions, social security	1,881	775	2,037	2,710	2,913	2,256	610	139
Other Expenditures	3,831	2,137	3,371	4,899	5,429	4,244	3,179	1,856
Personal Taxes	2,455	928	2,513	3,574	3,877	2,901	961	632

Source: U.S. Bureau of the Census, 1990

TOTAL POPULATION, BY SEX, RACE, AND AGE: 1988
(IN THOUSANDS)

Age	Total	Male	Female	White	Black	Hispanic*
Total	246,329	120,203	126,126	207,748	30,326	19,831
Under 5 years old	18,456	9,446	9,009	14,879	2,802	2,123
5–9 years old	18,028	9,226	8,802	14,503	2,783	1,950
10–14 years old	16,627	8,525	8,102	13,346	2,613	1,829
15–19 years old	18,248	9,322	8,926	14,765	2,797	1,733
20–24 years old	19,374	9,773	9,600	15,941	2,748	1,935
25–29 years old	22,008	11,064	10,943	18,382	2,862	2,142
30–34 years old	21,878	10,973	10,905	18,378	2,698	1,860
35–39 years old	19,194	9,530	9,664	16,294	2,197	1,453
40–44 years old	16,149	7,939	8,210	13,962	1,628	1,111
45–49 years old	13,033	6,365	6,668	11,245	1,363	842
50–54 years old	11,138	5,394	5,744	9,602	1,194	700
55–59 years old	10,897	5,195	5,701	9,495	1,115	610
60–64 years old	10,934	5,096	5,837	9,657	1,024	521
65–69 years old	9,993	4,544	5,449	8,889	895	1,021†
70–74 years old	7,904	3,400	4,504	7,104	652	
75–79 years old	5,903	2,322	3,581	5,318	476	
80–84 years old	3,619	1,262	2,357	3,311	250	
85 years old and over	2,948	825	2,124	2,679	229	
Median age (years)	32.3	31.2	33.5	33.2	27.5	25.8

*Hispanic includes people of any race who are of Hispanic descent.
†The number for the Hispanics is for 65 and older, not just 65–69 years old

Source: U.S. Bureau of the Census, 1990

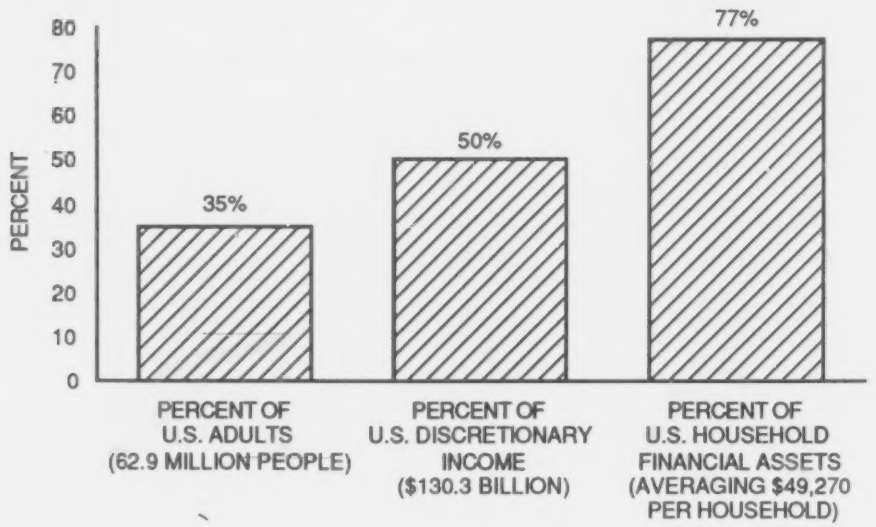
TEN WAYS MATURE CONSUMERS WILL AFFECT THE MARKETPLACE

1. The physical, psychological, and social concerns of the mature consumers will reshape the marketplace.
2. In middle age, baby boomers will retain many characteristics of their cohort, such as their acceptance of diverse and non-traditional lifestyles, and their distrust of authority.
3. These people will live increasingly cyclic lifestyles, in which they pursue paths normally viewed as those of the young, such as going (back) to school, or entering the workforce after childrearing.
4. They will seek ways to balance work, family, and recreation in creating for themselves well-balanced lives.
5. Consumers will be increasingly concerned with health, wellness, and the prolongation of youth.
6. As many social and professional roles become more androgynous, men and women will become increasingly similar in the marketplace.
7. The new seasoned consumers will be increasingly educated, and will have a great deal of experience on which to base their choices—they will recognize and seek quality.
8. Convenience and comfort will become increasingly important consumer issues.
9. Middle-aged consumers will look for ways to increase their sense of control. They will be more concerned with the effects of their choices on their financial and personal security.
10. They will be increasingly interested in purchasing "experiences" rather then "things."

Source: Age Wave, Inc., The Shifting American Marketplace, 1989

SOME CHARACTERISTICS OF ADULTS AGED 50 AND OVER

50-PLUS: TOWERS OF POWER



Source: Grey Advertising, Inc., Households of the '90s: America's New Grown-ups, 1990

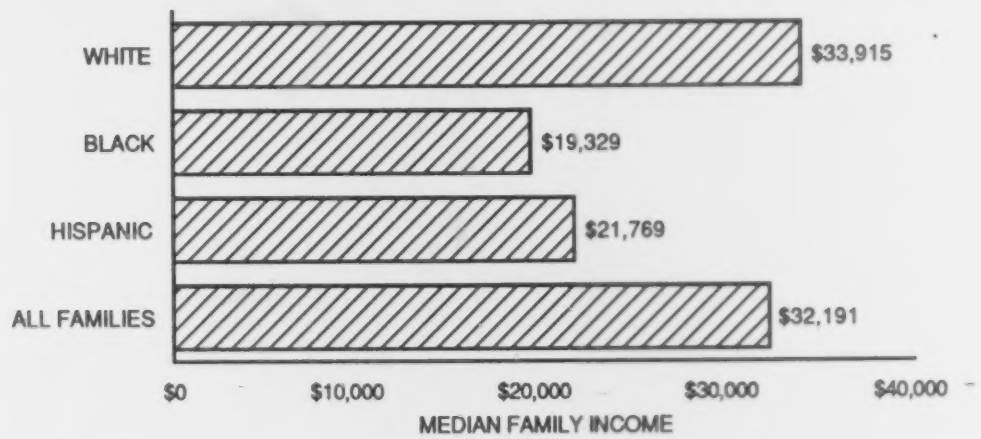
RATIO OF MALES TO FEMALES BY AGE GROUP

NUMBER OF MALES PER 100 FEMALES

Age	1950	1970	1980	1988				
				Total	White	Black	Other Races	Hispanic
All Ages	98.6	94.8	94.5	95.0	95.7	90.2	95.7	101
Under 14	103.7	103.9	104.6	104.9	105.4	103.2	102.7	104
14–24 years	98.2	98.7	101.9	102.4	103.0	98.0	107.6	106
25–44 years	96.4	95.5	97.4	98.9	100.9	87.0	93.7	106
45–64 years	100.1	91.6	90.7	92.0	93.5	81.8	85.6	90
65 years and over	89.6	72.1	67.6	68.6	68.5	67.0	77.8	71

Source: U.S. Bureau of the Census, 1990

1988 MEDIAN FAMILY INCOME BY RACE



Source: U.S. Bureau of the Census, 1990

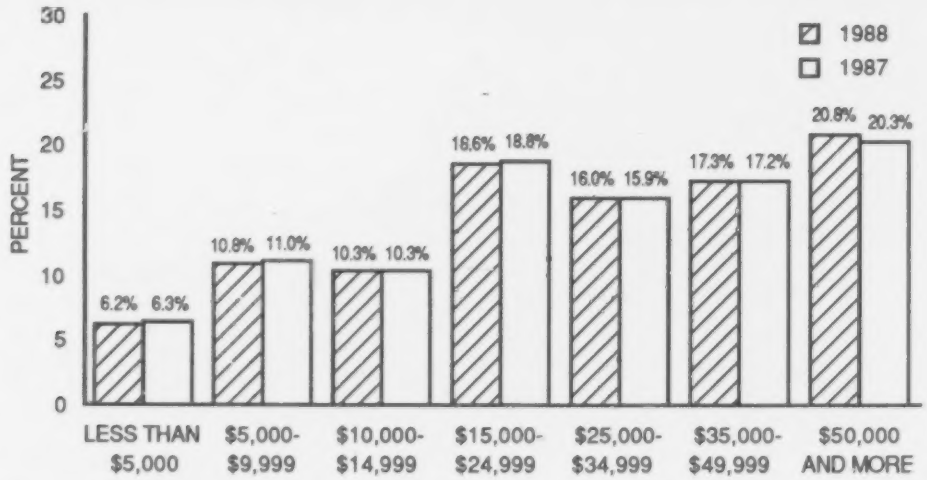
DISPOSABLE PERSONAL INCOME BY REGION

Region	Disposable Income*			
	1980	1985	1987	1988
New England	8,936	13,517	15,518	17,002
Middle Atlantic	8,974	12,991	14,645	15,939
East North Central	8,544	11,734	12,982	13,929
West North Central	8,076	11,397	12,497	13,162
South Atlantic	7,782	11,286	12,751	13,735
East South Central	6,692	9,175	10,384	11,180
West South Central	7,920	10,896	11,346	12,051
Mountain	8,096	10,963	11,880	12,570
Pacific	9,656	13,337	14,547	15,559
U.S. Total	8,424	11,863	13,128	14,107

*Disposable income—that which is available after taxes.

Source: U.S. Bureau of the Census, 1990

DISTRIBUTION OF HOUSEHOLDS BY INCOME LEVEL: 1988 vs. 1987



Source: U.S. Bureau of the Census, 1990

WEALTHIEST CANADIAN FSAs (FORWARD SORTATION AREAS)*

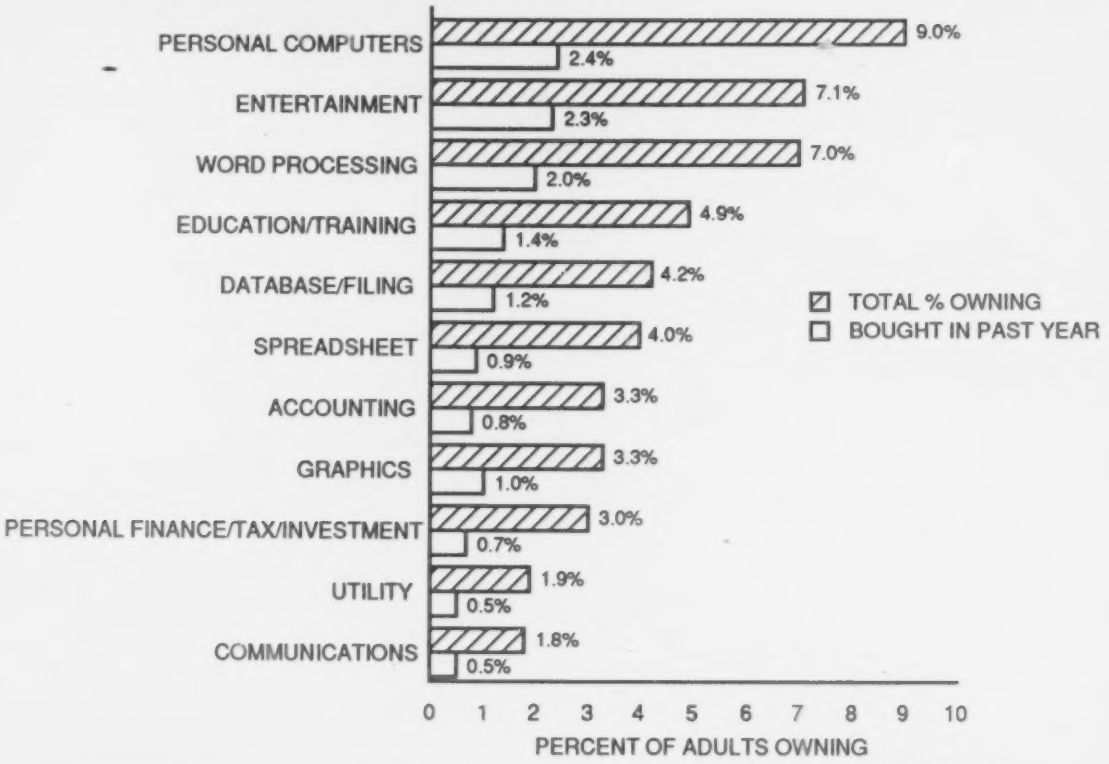
Rank	Target Area FSA	1988 Household Income	Total Population	% Male	% Female	% Mother Tongue is English	% Mother Tongue is French	% Male Postsec. Education	% Female Postsec. Education
1	L6C	175,723	945	50	50	77	1	20	12
2	H3Y	120,001	11,349	46	53	68	17	31	33
3	T6R	112,602	1,271	50	50	83	2	33	27
4	V7S	111,978	8,548	50	50	76	1	29	24
5	T8B	106,490	1,308	54	47	79	2	21	15
6	M2L	105,999	12,230	48	52	80	1	25	25
7	M4N	103,871	10,854	46	54	88	1	28	30
8	M5E	102,776	648	53	45	81	4	33	34
9	R3P	99,356	8,172	49	51	79	2	27	23
10	M4W	98,765	10,913	47	53	86	2	29	30

Target Area FSA	Key
L6C	Markham/Metro Toronto, Ontario
H3Y	Westmount/Metro Montreal, Quebec
T6R	Edmonton, Alberta
V7S	West Vancouver, British Columbia
T8B	Sherwood Park/Edmonton, Alberta
M2L	Willowdale/Metro Toronto, Ontario
M4N	Toronto, Ontario
M5E	Toronto, Ontario
R3P	Winnipeg, Manitoba
M4W	Rosedale/Metro Toronto, Ontario

*An FSA is an area defined by the Canada Post Corporation to assist with the mechanized sorting of mail. The FSA is the first three characters of the six character postal code. There are, particularly in larger cities, many FSA's within each city.

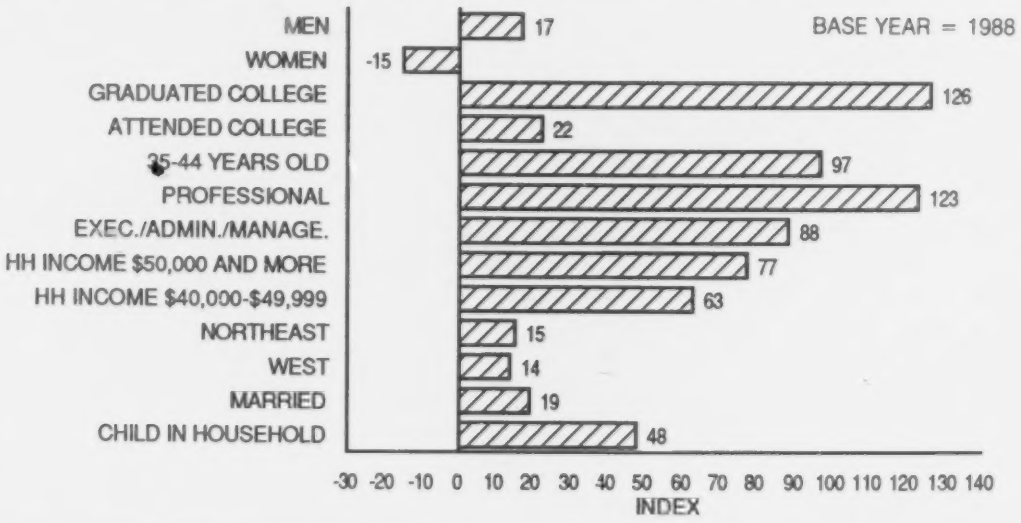
Source: Tetrad Computer Applications Limited, 1990

COMPUTER SOFTWARE PENETRATION



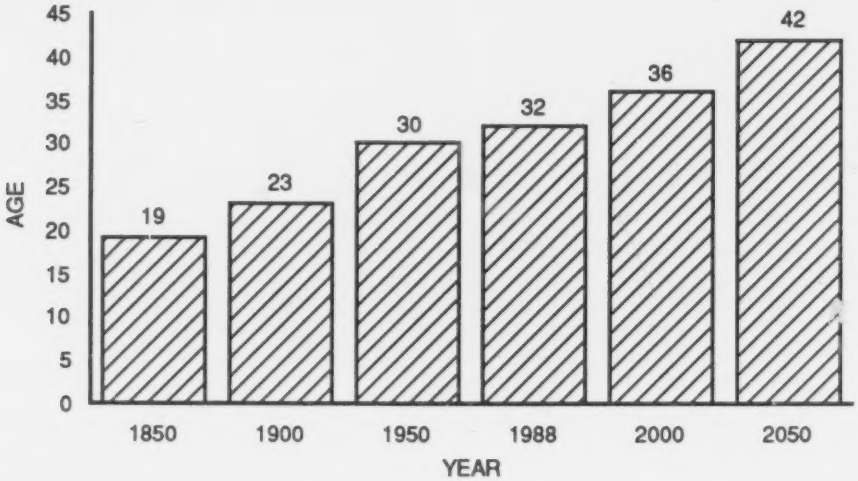
Source: Marketing & Media Decisions, April 1989

CONSUMERS WHO BOUGHT A WORD PROCESSOR IN PAST YEAR



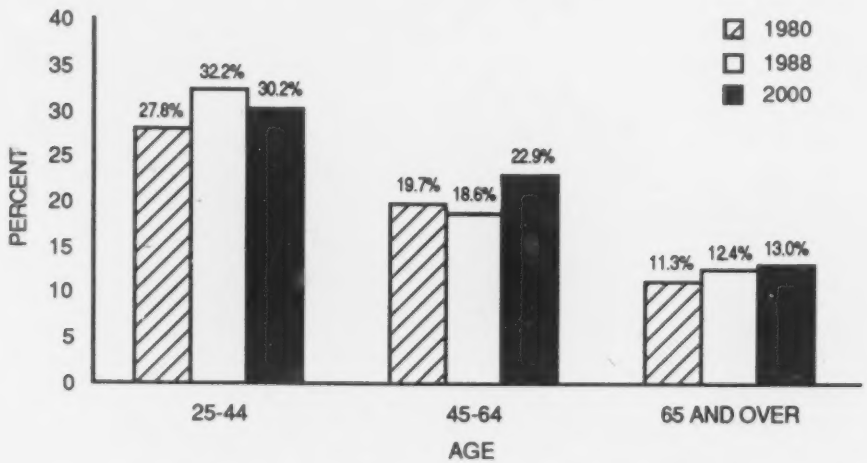
Source: Marketing & Media Decisions, April 1989

MEDIAN AGE OF THE U.S. POPULATION



Source: U.S. Bureau of the Census, 1990

AGE GROUP AS PERCENTAGE OF TOTAL POPULATION



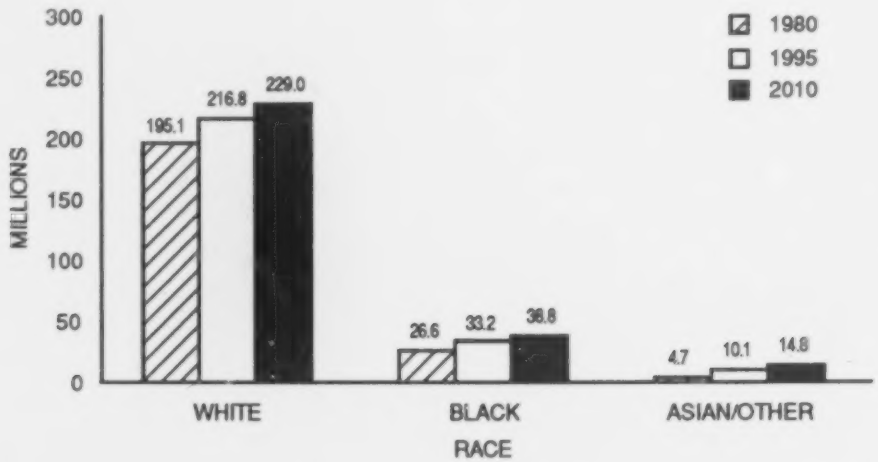
Source: U.S. Bureau of the Census, 1990

POPULATION BY REGION

Region	Population (in millions) 1980	1988	2000	2010
Northeast	49.1	50.6	51.8	52.5
Midwest	58.9	59.9	59.6	59.0
South	75.4	84.7	96.9	104.9
West	43.2	50.7	59.4	65.6
Total U.S.	226.5	245.8	267.7	282.0

Source: U.S. Bureau of the Census, 1990

POPULATION BY RACE
(IN MILLIONS)



Source: U.S. Bureau of the Census, 1990

PERSONS 65 YEARS AND OLDER: 1960, 1980, 1988 AND 2000

Age	1960	1980	1988	2000 (Projection)
65 years and older (population in millions)	16.7	25.7	30.4	34.9
65 years and older (% of the population)	9.2%	11.3%	12.4%	13.0%
between 65 and 74 (% of the population)	6.1%	6.9%	7.3%	6.8%
75 and older (% of the population)	3.1%	4.4%	5.1%	6.2%

Source: U.S. Bureau of the Census, 1990

• BUSINESS-TO-BUSINESS

COSTS

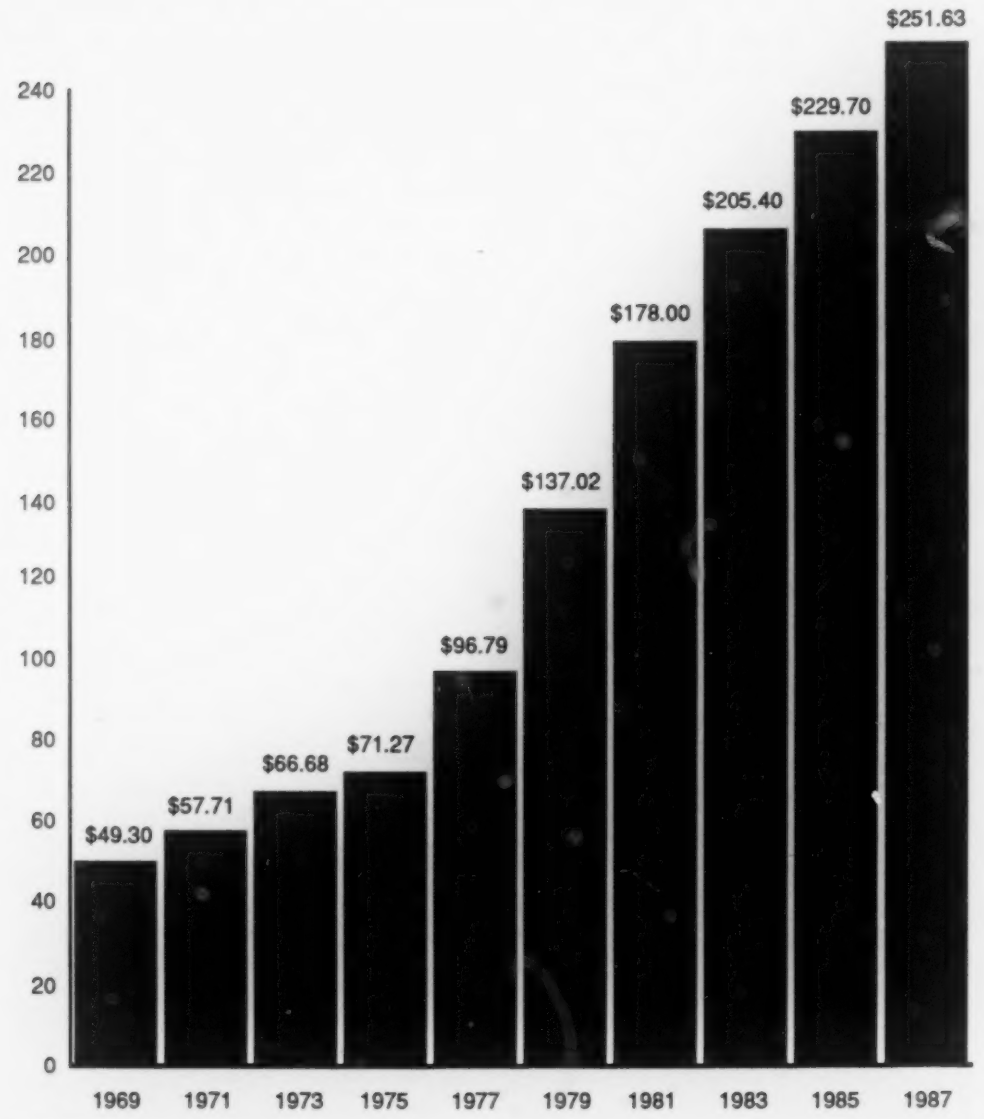
TRENDS

PROJECTIONS

COST OF AN INDUSTRIAL SALES CALL (1969–1987)

The McGraw-Hill Research "1987 Cost of a Business-to-Business Sales Call" Survey was conducted by mail questionnaire and telephone interviews in 1988 among 1,531 vice presidents of sales and sales managers in business-to-business companies from the Business Marketing subscriber list. A 55% response rate was achieved.

Note: This research study was discontinued in 1988. Fact Book users may wish to extrapolate this data to subsequent years based on average percent change increases.

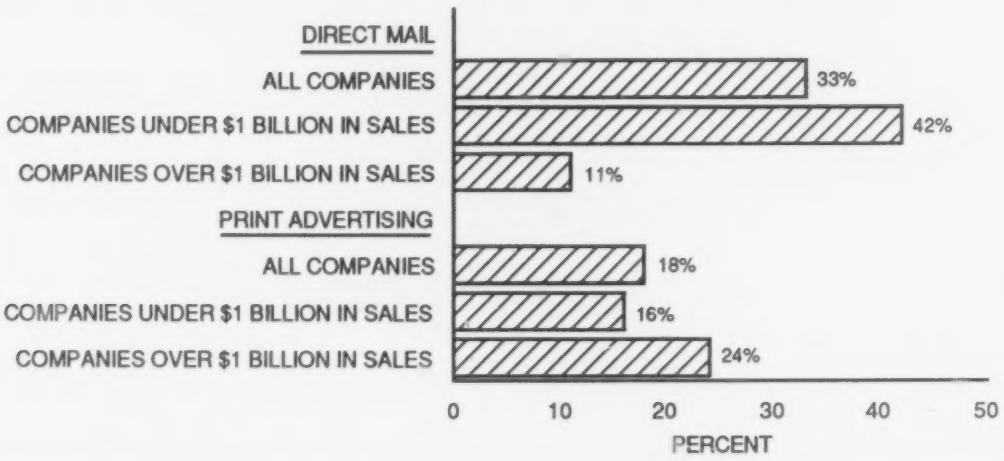


Source: McGraw-Hill Research, 1988.

The 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices was sponsored by Frankel and Company in order to assess marketing communications practices (especially direct mail and direct marketing activities) among business-to-business marketing companies. The findings were generated from a study conducted with 100 marketing executives from companies whose principal activity is business-to-business sales.

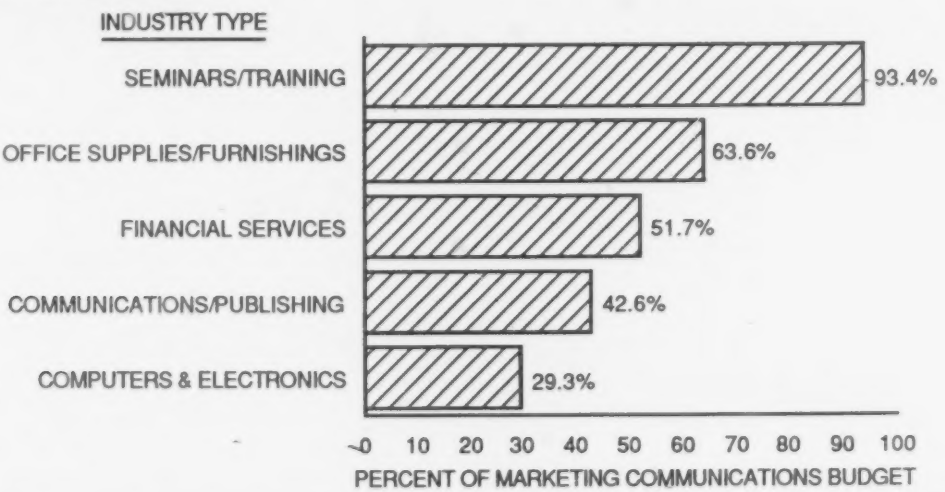
The 100 companies represented in this study are among the leading business-to-business companies in the United States. The interviewing for this study was conducted by telephone, under the direction of *Market Facts, Inc.*, in late January and early February, 1990.

PERCENT OF MARKETING COMMUNICATIONS BUDGET: 1989



Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices, April 1990

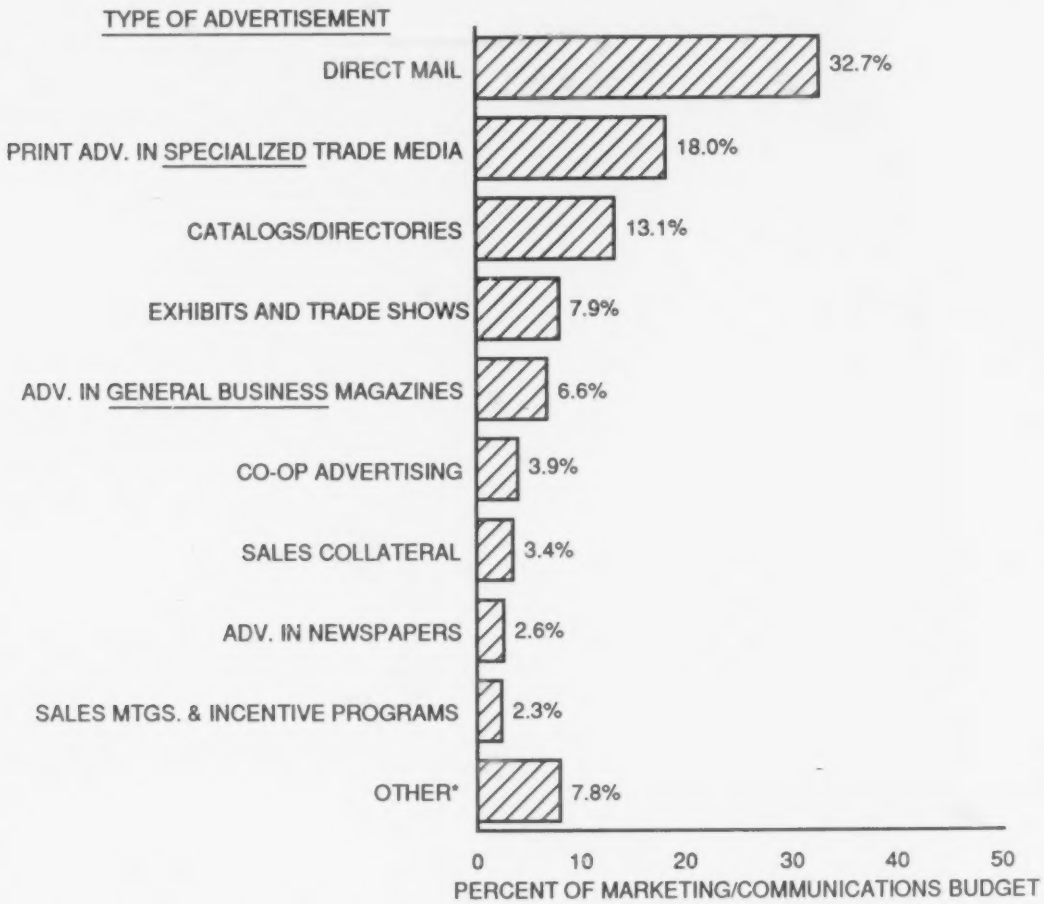
1989 PERCENT OF MARKETING COMMUNICATIONS BUDGET FOR DIRECT MAIL PER INDUSTRY TYPE



Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices, April 1990

1989 BUSINESS-TO-BUSINESS MARKETING COMMUNICATIONS BUDGETS BY PERCENT PER TYPE OF ADVERTISING

Direct Mail represents the largest percentage of business-to-business marketing budgets (32.7%) followed by print advertising in specialized trade media (18.0%) and catalogs and directories (13.1%).



*Other includes: Public Relations & Publicity, Radio, Television & Cable TV Advertising, Dealer & Distributor Support and Business Oriented Sales Promotion.

Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail. Direct Marketing Attitudes & Practices. April 1990

1990 BUSINESS-TO-BUSINESS SALARIES

Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers, throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast; 3) Search assignments that have been received nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

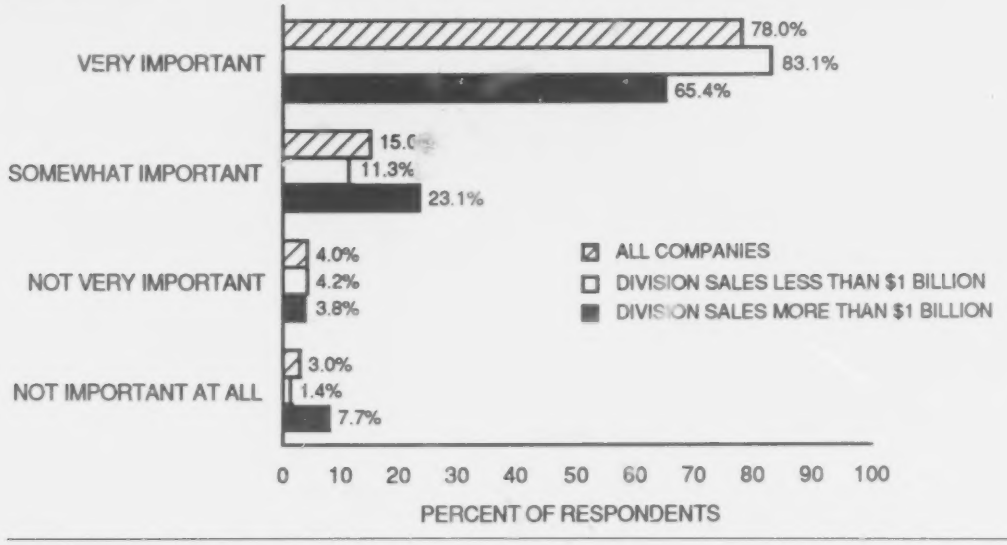
Position Title And Description	Years Exp.	Base Salary Range (excluding benefits)		Leading Firms
MARKETING/Business Product Manager: Sells products or services to defined and targeted commercial markets, generally with catalogs.	1–3	$23,700	$28,200	$33,200
	4–7	$30,100	$36,200	$40,100
	7+	$38,500	$43,000	$45,600
MARKETING DIRECTOR/Industrial or Business: Identifies, develops and targets specialized audiences with products needed in business.	1–3	$39,600	$44,300	$51,200
	4–7	$49,100	$53,900	$59,900
	7+	$57,200	$62,200	$71,300

Source: Crandall Associates, Inc., 1990

The 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices was sponsored by Frankel and Company in order to assess marketing communications practices (especially direct mail and direct marketing activities) among business-to-business marketing companies. The findings were generated from a study conducted with 100 marketing executives from companies whose principal activity is business-to-business sales.

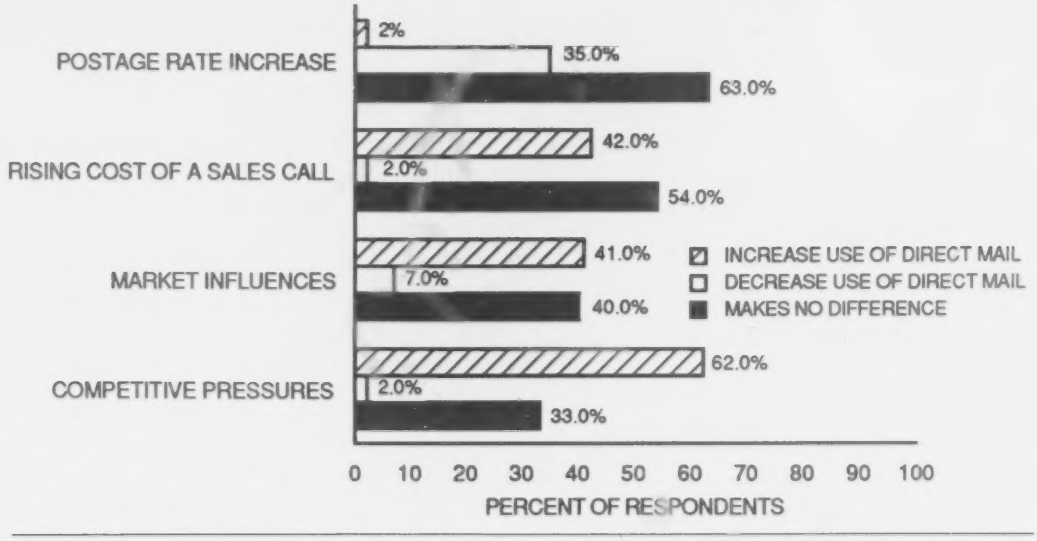
The 100 companies represented in this study are among the leading business-to-business companies in the United States. The interviewing for this study was conducted by telephone, under the direction of *Market Facts, Inc.*, in late January and early February, 1990.

IMPORTANCE OF DIRECT MARKETING AS A BUSINESS-TO-BUSINESS MARKETING TOOL



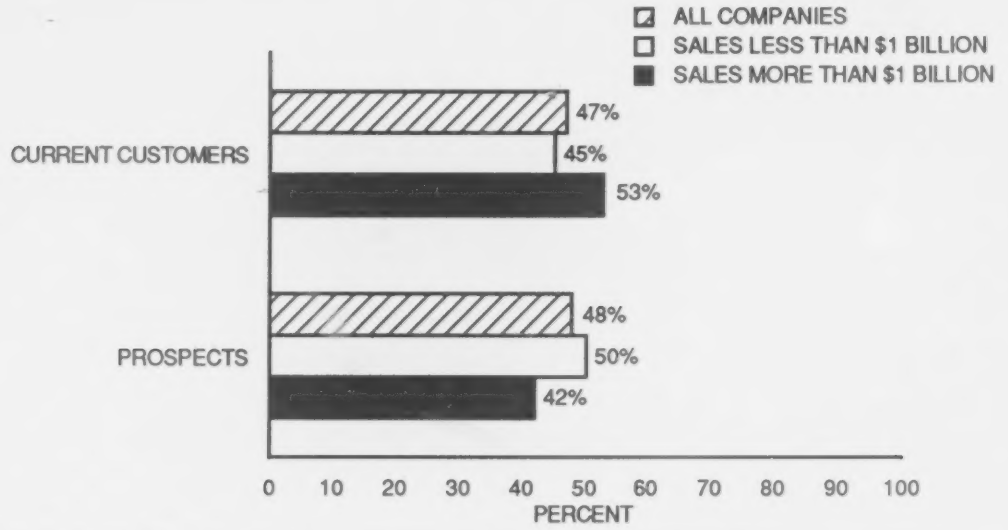
Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices, April 1990

FACTORS AFFECTING THE USE OF BUSINESS-TO-BUSINESS MAIL



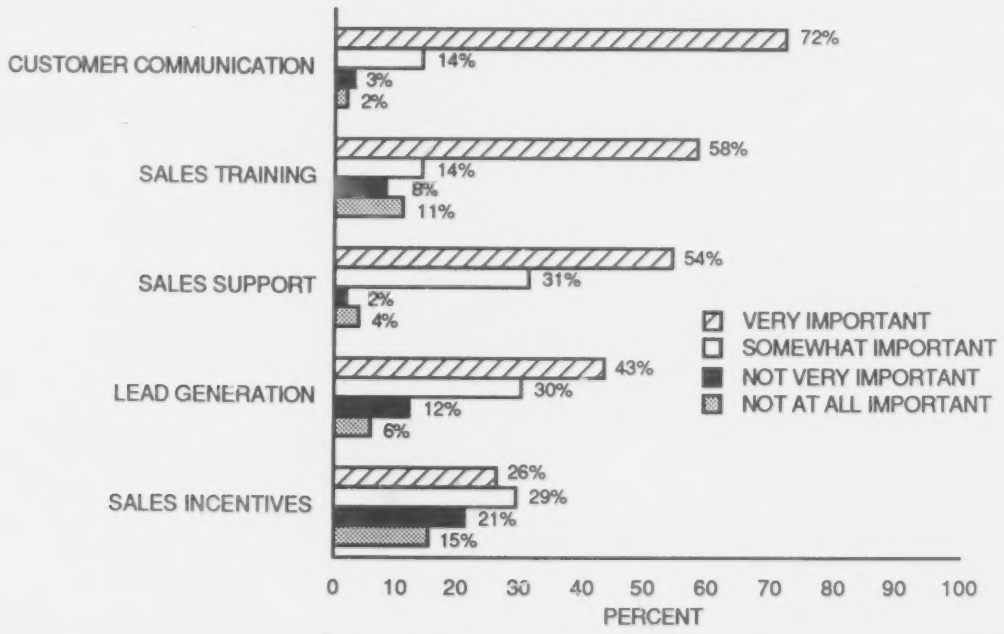
Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices, April 1990

PROPORTION OF DIRECT MAIL DIRECTED TO CURRENT CUSTOMERS AND PROSPECTS



Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices, April 1990

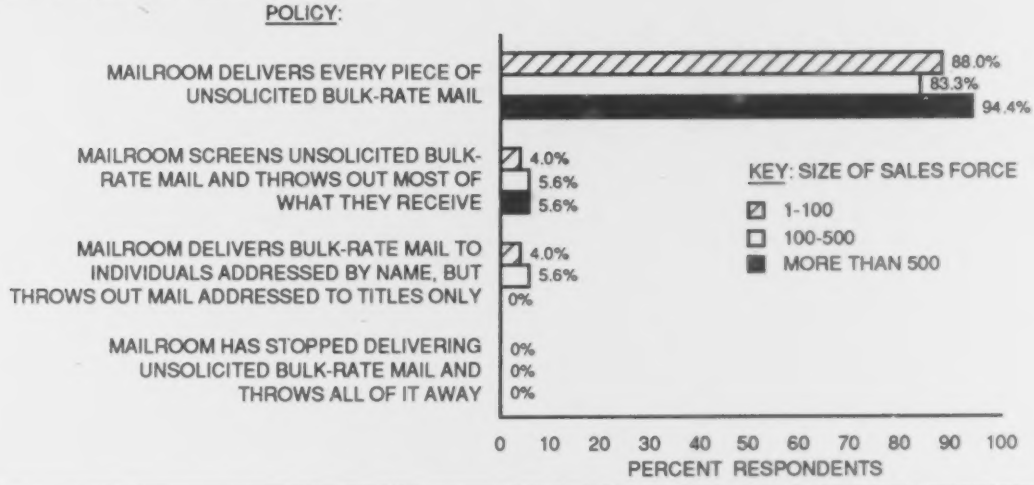
IMPORTANCE OF DIRECT MARKETING ACTIVITIES IN SUPPORTING SALESFORCE



Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices, April 1990

POLICIES ON DISTRIBUTION OF UNSOLICITED BULK-RATE THIRD–CLASS MAIL THROUGH MAILROOMS

BY SIZE OF COMPANY SALES FORCE

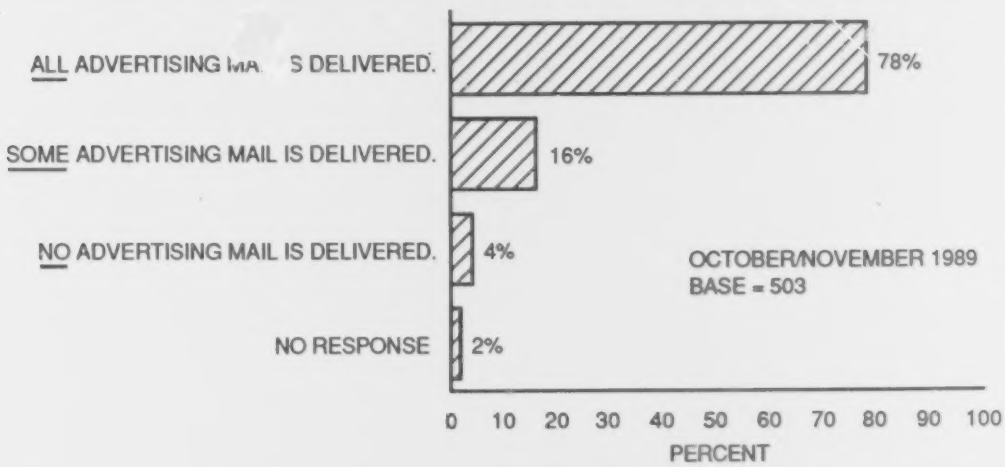


Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices, April 1990

This survey, last conducted in October and November 1989 by Opinion Research Corporation, consisted of telephone interviews with 503 top and middle management executives drawn from a sample of 1,000 of the largest commercial operations in the country. The purpose of the survey was: 1) to determine attitudes towards the USPS as well as several other major communications carriers; 2) to determine usage levels for various types of communications services; and 3) to obtain opinions about the issues related to advertising mail and magazine delivery.

COMPANY POLICY CONCERNING DELIVERY OF ADVERTISING MAIL

What is the policy of your company concerning the delivery of incoming advertising mail addressed to the company's employees at their work stations?



Source: Opinion Research Corporation for the USPS 1989

ATTITUDES REGARDING RECEIPT OF ADVERTISING MAIL AT THE OFFICE

Which statement best describes how you, as a business manager, feel about receiving advertising or promotional material through the mail at your office?

	PERCENT		
Response	April/May 1988 Base = 512	July/August 1988 Base = 503	October/November 1989 Base = 503
I would like to receive less advertising and promotional material in the mail that I get at the office.	34	34	39
Some advertising and promotional material is interesting, and enjoyable, and I don't mind getting some that doesn't interest me as long as I also get some that does interest me.	64	63	58
I would like to receive more advertising and promotional material in the mail that I get at the office.	2	3	3
No Response	*	0	*
Total	100	100	100

* denotes less than .5 percent

Source: Opinion Research Corporation for the USPS, 1989

ATTITUDES REGARDING RECEIPT OF ADVERTISING MAIL AT HOME

Which statement best describes how you feel about receiving advertising or promotional material in your mail at home?

	PERCENT		
Response	April/May 1988 Base = 512	July/August 1988 Base = 503	October/November 1989 Base = 503
I would like to receive less advertising and promotional material in the mail that I get at home.	51	51	52
Some advertising and promotional material is interesting, and enjoyable, and I don't mind getting some that doesn't interest me as long as I also get some that does interest me.	47	45	46
I would like to receive more advertising and promotional material in the mail that I get at home.	2	4	2
No Response	*	0	*
Total	100	100	100

* denotes less than .5 percent

Source: Opinion Research Corporation for the USPS, 1989

READING OF ADVERTISING MAIL RECEIVED AT THE OFFICE

Which of these best describes the advertising mail you, as a business manager, receive?

	PERCENT		
Response	April/May 1988 Base = 512	July/August 1988 Base = 503	October/November 1989 Base = 503
Most is read by me or someone in my office.	15	17	17
Most is looked at by me, but not read.	61	58	57
Most is discarded without being read.	23	24	24
All is discarded without being read.	1	1	1
No response	0	0	*
Total	100	100	100

* = less than .5 percent

Source: Opinion Research Corporation for the USPS, 1989

READING OF ADVERTISING MAIL RECEIVED AT HOME

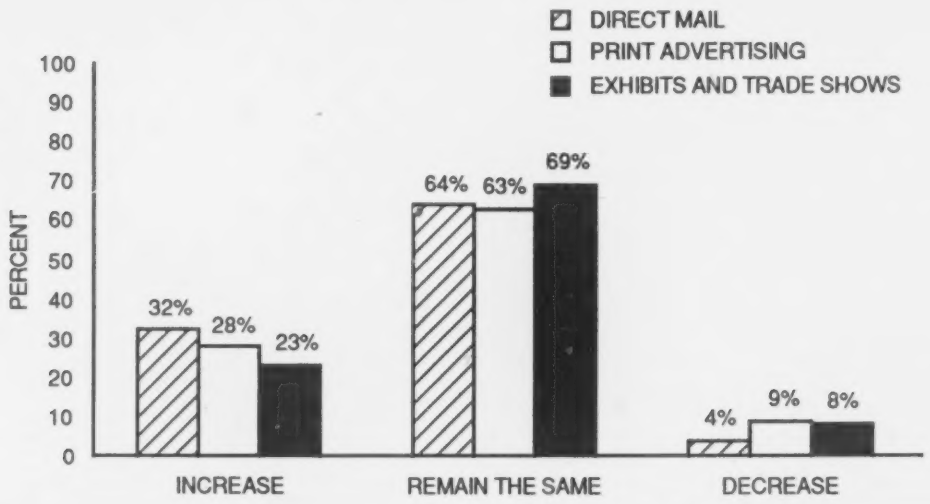
Which of these best describes the advertising mail received by your household?

	PERCENT		
Response	April/May 1988 Base = 512	July/August 1988 Base = 503	October/November 1989 Base = 503
Most is read by me or someone in my household.	15	17	14
Most is looked at by someone but not read.	52	51	54
Most is discarded without being read.	31	30	30
All is discarded without being read.	2	2	2
Total	100	100	100

Source: Opinion Research Corporation for the USPS, 1989

ADVERTISING BUDGET EXPECTATIONS FOR 1990 VS. 1989

TOP THREE BUSINESS-TO-BUSINESS MARKETING ACTIVITIES FORECASTED FOR GROWTH



Source: 1990 Frankel Study on Business-to-Business Marketing Communications and Direct Mail, Direct Marketing Attitudes and Practices, April 1990

• FINANCIAL SERVICES

INSURANCE

BANKS

CREDIT CARDS

TYPES OF LIFE INSURANCE POLICIES CARRIED

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Bold Face Numbers = 1989
Regular Type Numbers = 1988
1989 Base = Adults (178,193,000)
1988 Base = Adults (176,250,000)

	Directly From Insurance Company '000	%	In Response To Mail Advertising Received at Home or Office (No Agent) '000	%	Through A Credit Card '000	%	With Loan, Mortgage, or Installment Payments '000	%	Through An Insurance Agent or Broker '000	%	Other '000	%
Currently Carry	**9,647**	**5.4**	**1,718**	**1.0**	**2,240**	**1.3**	**7,067**	**4.0**	**41,574**	**23.3**	**6,908**	**3.9**
	18,745	10.6	1,114	0.6	2,787	1.6	4,817	2.7	34,342	19.5	3,971	2.3
Face Value of Life Insurance Currently Carried												
Less than $5,000	**2,110**	**1.2**	**448**	**0.3**	**519**	**0.3**	**1,120**	**0.6**	**7,840**	**4.4**	**1,566**	**0.9**
	4,646	2.6	211	0.1	660	0.4	761	0.4	6,285	3.6	1,542	0.9
$5,000–$9,999	**1,839**	**1.0**	**324**	**0.2**	**255**	**0.1**	**1,249**	**0.7**	**5,513**	**3.1**	**1,444**	**0.8**
	3,648	2.1	143	0.1	377	0.2	909	0.5	5,472	3.1	481	0.3
$10,000–$19,999	**2,363**	**1.3**	**516**	**0.3**	**365**	**0.2**	**1,808**	**1.0**	**7,431**	**4.2**	**1,735**	**1.0**
	3,239	1.8	353	0.2	476	0.3	983	0.6	4,907	2.8	381	0.2
$20,000–$29,999	**985**	**0.6**	**118**	**0.1**	**313**	**0.2**	**648**	**0.4**	**4,560**	**2.6**	**758**	**0.4**
	1,940	1.1	101	0.1	422	0.2	836	0.5	4,512	2.6	509	0.3
$30,000–$49,999	**466**	**0.3**	**142**	**0.1**	**68**	*	**824**	**0.5**	**2,625**	**1.5**	**240**	**0.1**
	1153	0.7	153	0.1	196	0.1	729	0.4	2,444	1.4	320	0.2
$50,000–$74,999	**824**	**0.5**	**90**	**0.1**	**321**	**0.2**	**956**	**0.5**	**5,681**	**3.2**	**496**	**0.3**
	1,923	1.1	4	*	222	0.1	314	0.2	4,977	2.8	359	0.2
$75,000–$99,999	**108**	**0.1**	**40**	*	**87**	*	**154**	**0.1**	**1,248**	**0.7**	**63**	*
	478	0.3	81	*	81	*	53	*	946	0.5	153	0.1
$100,000 or More	**951**	**0.5**	**41**	*	**313**	**0.2**	**307**	**0.2**	**6,677**	**3.7**	**605**	**0.3**
	1,717	1.0	69	*	352	0.2	232	0.1	4,798	2.7	226	0.1

Source: Simmons Market Research Bureau 1988, 1989 Study of Media and Markets

MEDICAL, HOSPITAL OR HEALTH INSURANCE

The Study of Media and Markets is a syndicated Study based on a stratified multi-stage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

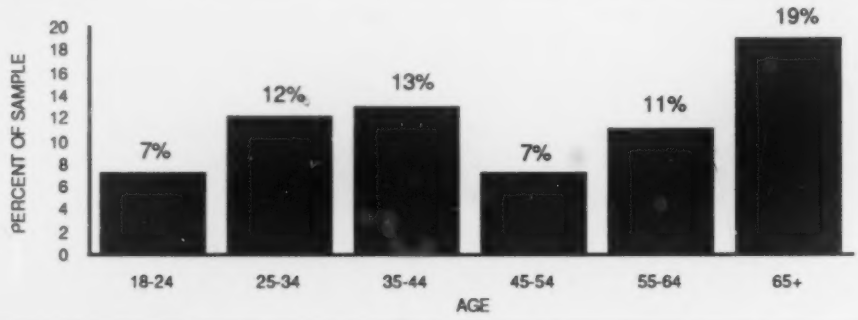
Bold Type Numbers = 1989
Regular Type Numbers = 1988
1989 Base = Adults (178,193,000)
1988 Base = Adults (176,250,000)

Types of Medical, Hospital or Health Insurance	Currently Carry '000	Currently Carry %	Acquired in Last 12 Months '000	Acquired in Last 12 Months %
From a Place of Work or Union	**76,648** 69,185	**43.0** 39.3	**10,442** 9,178	**5.9** 5.2
From a Fraternal or Other Membership Group	**3,897** 4,296	**2.2** 2.4	**764** 1,217	**0.4** 0.7
Medicare	**21,367** 17,604	**12.0** 10.0	**1,474** 985	**0.8** 0.6
Medicaid	**7,045** 6,292	**4.0** 3.6	**725** 573	**0.4** 0.3
Through an Independent Agent or Broker	**9,399** 6,526	**5.3** 3.7	**1,681** 1,001	**0.9** 0.6
Directly from Insurance Company	**8,124** 7,565	**4.6** 4.3	**826** 705	**0.5** 0.4
In Response to Mail Advertising Rec'd. at Home or Office (No Agent)	**1,370** 1,213	**0.8** 0.7	**257** 196	**0.1** 0.1
In Response to Newspaper or Magazine Advertising (No Agent)	**641** 433	**0.4** 0.2	**214** 69	**0.1** *
Other	**8,623** 7,270	**4.8** 4.1	**933** 875	**0.5** 0.5
Do Not Know	**4,487** 3,589	**2.5** 2.0		

Source: Simmons Market Research Bureau 1988, 1989 Study of Media and Markets

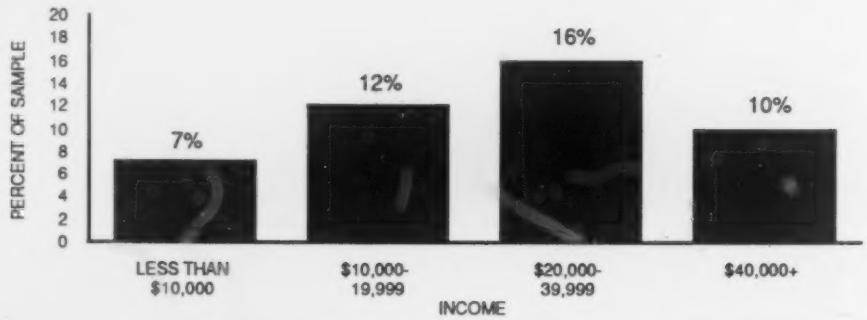
PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY AGE

The SRI Research Center's Financial Telemarketing Study was conducted by telephone in January 1986 among 280 U.S. households.



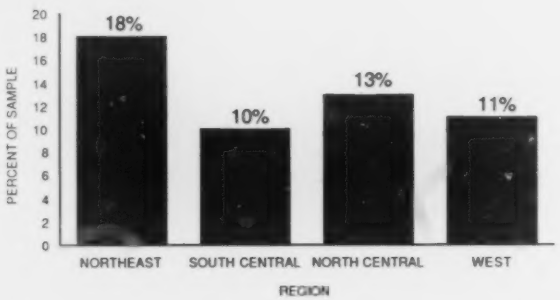
Source: SRI Research Center, Inc., January 1987

PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY INCOME



Source: SRI Research Center, Inc., January 1987

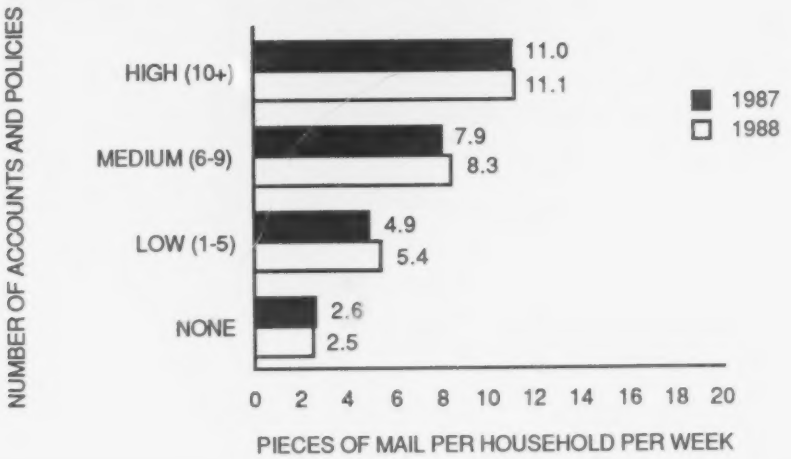
PERCENT OF SAMPLE CONTACTED BY TELEMARKETING FOR LIFE INSURANCE
BY REGION



Source: SRI Research Center, Inc., January 1987

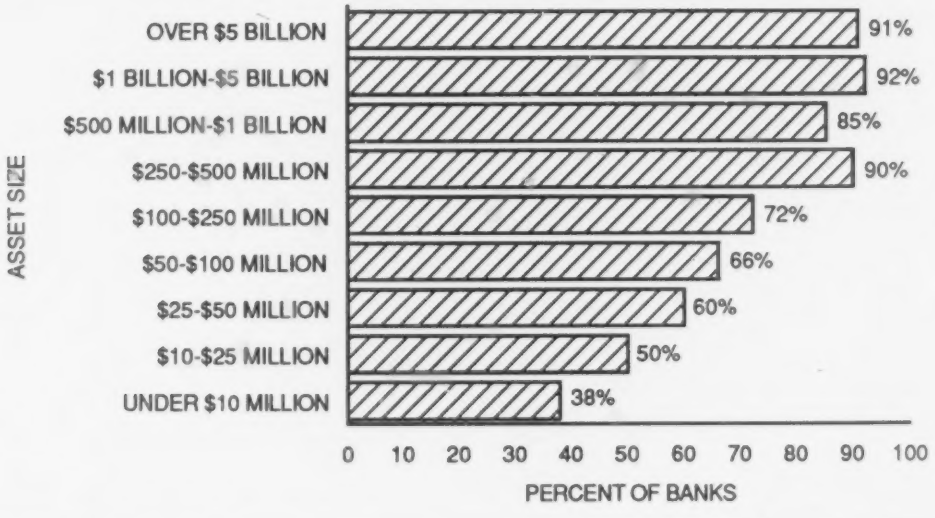
THIRD-CLASS BULK REGULAR RECEIPT BY NUMBER OF FINANCIAL ACCOUNTS AND INSURANCE POLICIES

POSTAL YEARS 1987 & 1988



Source: USPS Household Diary Study, 1988 & 1989

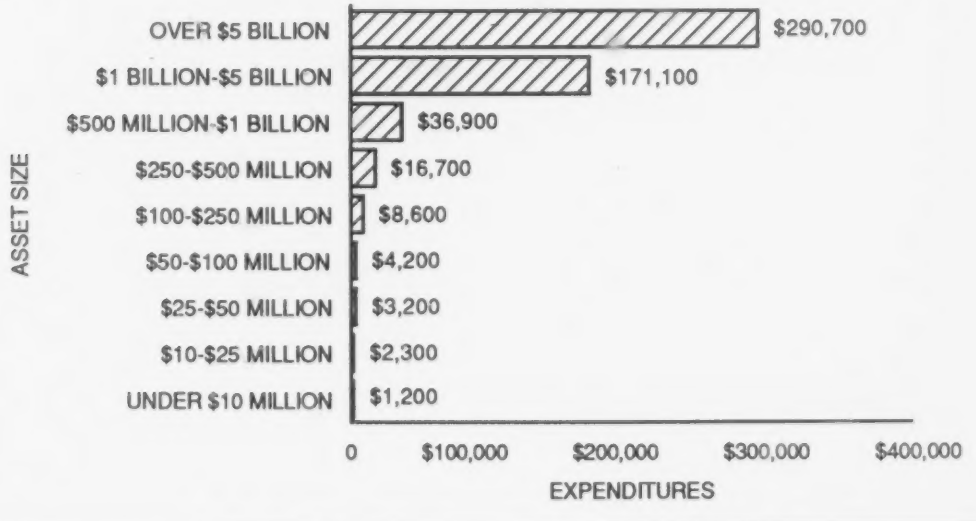
PERCENTAGE OF BANKS USING DIRECT RESPONSE ADVERTISING BY ASSET SIZE



Source: Bank Marketing Association, 1989

AVERAGE DIRECT RESPONSE EXPENDITURES OF BANKS BY ASSET SIZE

The Bank Marketing Association's 1988 Analysis of Bank Marketing Expenditures was conducted by mail to 9550 banks nationwide. 965 responses were received and tabulated. The charts below provide an understanding of the amount financial institutions are spending for direct response advertising (direct mail, literature, lists, postage, stuffers, telemarketing).



Source: Bank Marketing Association, 1989

The Equifax Report on Consumers in the Information Age is a national opinion study exploring public and leadership experiences with, and attitudes toward, the use of personal information in a wide variety of contexts. The survey, consisting mainly of interviews conducted with a cross section of 2,254 Americans eighteen years of age and older, was conducted in early 1990.

CONSUMER SENTIMENTS REGARDING THE USE OF CREDIT RECORDS FOR PRE-SCREENING

Credit card issuers also market directly to consumers. To make sure they send information only to people who qualify, they ask credit bureaus to tell them which individuals meet their credit standards before they send a credit offer. Is this practice acceptable or unacceptable to you?

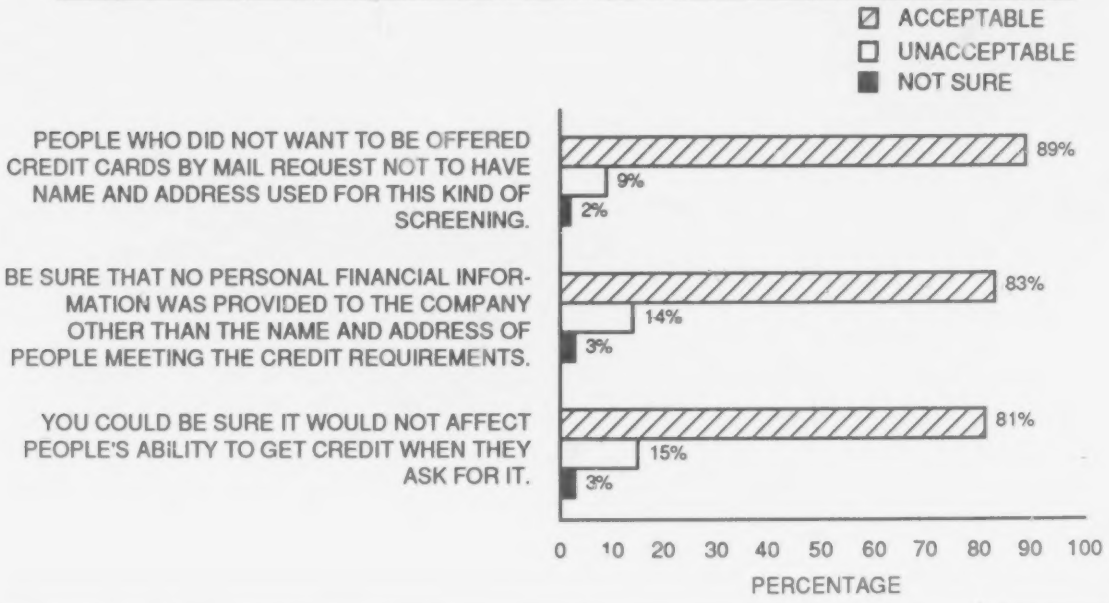
	Base	Percent Acceptable	Unacceptable	Not Sure
Total Public	2,253	66	32	2
Sex				
Male	1,018	68	30	2
Female	1,235	64	35	1
Age				
18–29 years	505	70	29	1
30–49 years	990	63	36	1
50 years and over	734	66	31	3
Education				
Less than high school	264	67	30	3
High school graduate	794	67	32	1
Some college	570	65	34	1
College graduate	357	64	35	*
Postgraduate	253	64	34	2
Race				
White	1,934	66	32	2
Black	186	61	37	2
Hispanic	133	73	26	*
Household Member				
Bought/Responded to credit offer by mail	883	69	31	1
Hasn't Bought/Responded to credit offer by mail	1,345	64	34	2

*Less than .5%

Source: Equifax, Inc. The Equifax Report on Consumers in the Information Age. 1990

CONSUMER SENTIMENTS REGARDING THE USE OF CREDIT RECORDS FOR PRE-SCREENING WITH PROTECTIVE MEASURES

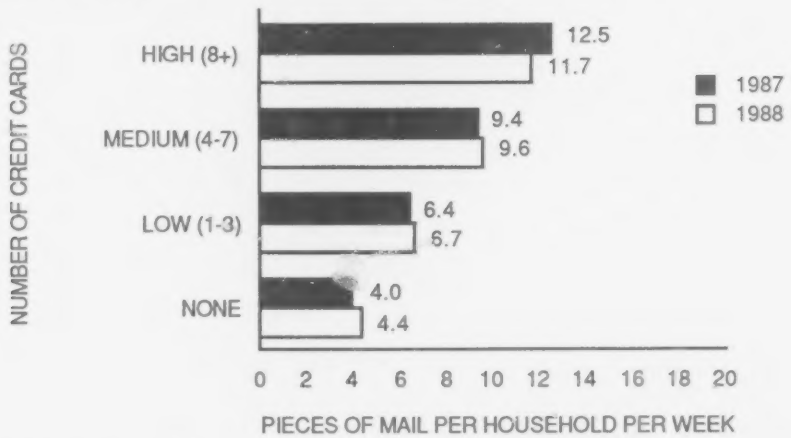
Credit card issuers also market directly to consumers. To make sure they send information only to people who qualify, they ask credit bureaus to tell them which individuals meet their credit standards before they send a credit offer. Would this practice be acceptable or unacceptable if (read each item):


ACCEPTABLE
UNACCEPTABLE
NOT SURE
PEOPLE WHO DID NOT WANT TO BE OFFERED CREDIT CARDS BY MAIL REQUEST NOT TO HAVE NAME AND ADDRESS USED FOR THIS KIND OF SCREENING.
89%
9%
2%
BE SURE THAT NO PERSONAL FINANCIAL INFORMATION WAS PROVIDED TO THE COMPANY OTHER THAN THE NAME AND ADDRESS OF PEOPLE MEETING THE CREDIT REQUIREMENTS.
83%
14%
3%
YOU COULD BE SURE IT WOULD NOT AFFECT PEOPLE'S ABILITY TO GET CREDIT WHEN THEY ASK FOR IT.
81%
15%
3%
0 10 20 30 40 50 60 70 80 90 100
PERCENTAGE

Source: Equifax, Inc. The Equifax Report on Consumers in the Information Age, 1990

THIRD-CLASS BULK REGULAR MAIL RECEIPT BY NUMBER OF CREDIT CARDS

POSTAL YEARS 1987 & 1988



Source: USPS Household Diary Study, 1988 & 1989

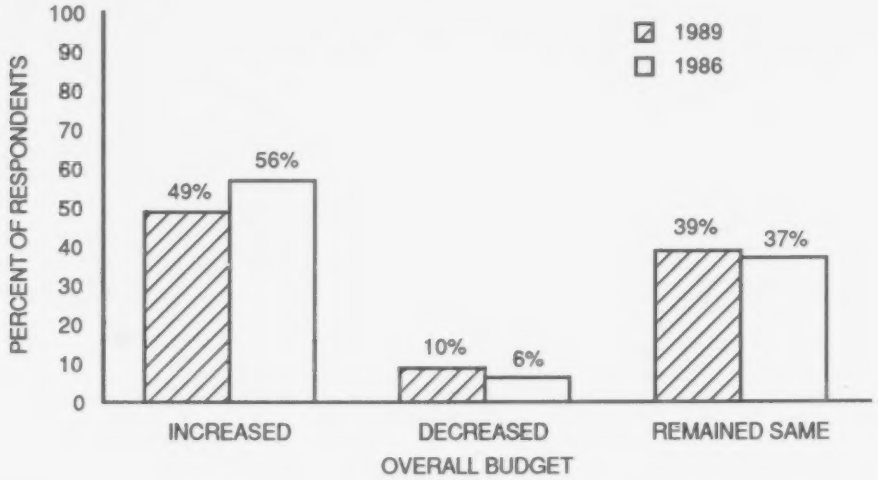
• CIRCULATION

COSTS

TRENDS

BUDGETARY CONSIDERATIONS FOR CIRCULATION PROMOTION

The DMA Research Department/Circulation Council's 1989 Periodical Publications Survey was conducted by self-administered mail survey in November, 1989 among 1,600 publications. A response rate of 14.2% was achieved.



Source: DMA Research Department/Circulation Council Periodical Publications Survey, 1990

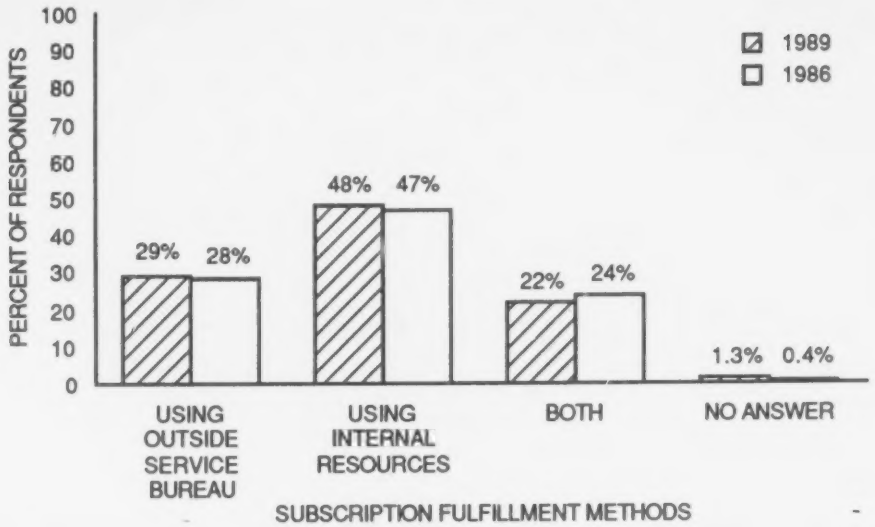
1990 CIRCULATION SALARIES

Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast; 3) Search assignments that have been received nationally, enabling Crandall Associates, Inc. to confirm salary levels that prove to be effective in recruiting candidates from each experience range, and serve as a double check on the figures.

Position Title And Description	Years Exp.	Base Salary Range (excluding benefits)		Leading Firms
CIRCULATION DIRECTOR/Consumer: Identifies the target audience, sets marketing policy and pricing and guides creative efforts and audits.	1–3	$47,900	$52,100	$56,900
	4–7	$54,600	$59,900	$63,700
	7+	$61,400	$67,000	$76,300
CIRCULATION MANAGER/Consumer: Execution of master plan. Responsible for subscriptions, renewals, newsstand and fulfillment.	1–3	$31,300	$35,800	$38,600
	4–7	$36,900	$45,200	$50,600
	7+	$47,100	$54,100	$61,300
CIRCULATION DIRECTOR/Trade: Penetrates defined audience with specific emphasis on positioning, renewals and audit bureau rules.	1–3	$29,900	$34,000	$39,500
	4–7	$36,400	$41,200	$49,100
	7+	$46,300	$51,800	$56,500
CIRCULATION MANAGER/Trade: Helps develop controlled and/or paid subscriptions and renewals; supervises the fulfillment operation.	1–3	$21,300	$24,900	$28,800
	4–7	$27,300	$31,300	$36,100
	7+	$33,800	$38,100	$39,900

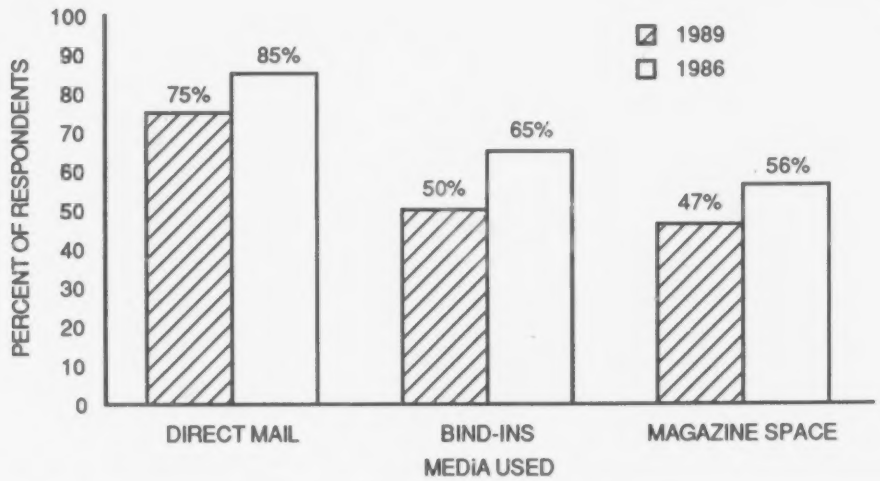
Source: Crandall Associates, Inc. 1990

METHOD OF PERFORMING SUBSCRIPTION FULFILLMENT FUNCTIONS



Source: DMA Research Department/Circulation Council Periodical Publications Survey, 1990

TOP THREE TYPES OF MEDIA USED FOR CIRCULATION PROMOTION



Source: DMA Research Department/Circulation Council Periodical Publications Survey, 1990

NEW BUSINESS PROMOTION SOURCES USED

This section concentrates on the important issue of new business sources used for soliciting new publication subscriptions.

DIRECT MAIL

Year N = Sample Size	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	80%	89%	85%	75%
RESPONSE				
BETTER	38%	31%	45%	34%
WORSE	24%	36%	22%	24%
SAME	39%	30%	30%	35%
NO ANSWER	2%	3%	4%	7%

BLOW-INS

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	47%	51%	38%	38%
RESPONSE				
BETTER	43%	21%	37%	37%
WORSE	17%	26%	12%	7%
SAME	32%	49%	49%	49%
NO ANSWER	4%	4%	3%	6%

BIND-INS

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	78%	67%	65%	50%
RESPONSE				
BETTER	38%	25%	35%	40%
WORSE	16%	19%	9%	7%
SAME	37%	50%	52%	42%
NO ANSWER	6%	6%	3%	11%

MAGAZINE SPACE

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	67%	59%	56%	46%
RESPONSE				
BETTER	15%	21%	24%	22%
WORSE	6%	19%	14%	15%
SAME	56%	52%	57%	52%
NO ANSWER	7%	9%	5%	11%

Source: DMA Research Department, Circulation Council, 1990

New Business Promotion Sources cont'd.

GIFTS

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	61%	51%	34%	33%
RESPONSE				
BETTER	59%	46%	37%	50%
WORSE	10%	15%	15%	8%
SAME	24%	35%	46%	29%
NO ANSWER	6%	4%	2%	12%

CATALOG AGENTS

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	59%	51%	31%	26%
RESPONSE				
BETTER	19%	6%	10%	10%
WORSE	8%	14%	8%	7%
SAME	54%	72%	80%	75%
NO ANSWER	19%	8%	2%	7%

TELEPHONE—OUTBOUND

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	43%	46%	29%	27%
RESPONSE				
BETTER	30%	44%	41%	47%
WORSE	14%	14%	18%	4%
SAME	30%	36%	34%	38%
NO ANSWER	23%	5%	7%	11%

SCHOLASTIC PLANS

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	35%	32%	22%	23%
RESPONSE				
BETTER	21%	16%	33%	12%
WORSE	11%	16%	15%	16%
SAME	50%	59%	50%	62%
NO ANSWER	18%	9%	2%	10%

DIRECT MAIL AGENTS

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	57%	46%	22%	16%
RESPONSE				
BETTER	54%	26%	29%	22%
WORSE	4%	15%	15%	25%
SAME	28%	45%	52%	47%
NO ANSWER	13%	13%	3%	6%

Source: DMA Research Department, Circulation Council, 1990

New Business Promotion Sources cont'd.

CO-OP MAILINGS

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	27%	19%	15%	15%
RESPONSE				
BETTER	27%	31%	34%	28%
WORSE	—	23%	22%	12%
SAME	41%	46%	41%	48%
NO ANSWER	9%	—	3%	12%

CASH FIELD ACCOUNTS

Cash Field Account—An agency that undertakes to sell magazine subscriptions through sales people who contact their prospects door-to-door. Sales people collect payment, send pertinent information to the publisher, and keep a portion of the revenue as commission.

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	25%	18%	11%	9%
RESPONSE				
BETTER	15%	21%	11%	15%
WORSE	20%	21%	4%	20%
SAME	55%	47%	82%	55%
NO ANSWER	10%	11%	4%	10%

RADIO

N =	1982 (81)	1984* (103)	1986 (279)	1989 (232)
USAGE	6%	8%	10%	11%
RESPONSE				
BETTER	1%	—	24%	19%
WORSE	2%	33%	14%	9%
SAME	1%	33%	57%	43%
NO ANSWER	2%	33%	5%	29%

*Base very small (3)

NEWSPAPER INSERTS

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	17%	16%	9%	8%
RESPONSE				
BETTER	—	27%	44%	44%
WORSE	36%	18%	17%	6%
SAME	36%	45%	28%	44%
NO ANSWER	7%	9%	11%	6%

Source: DMA Research Department, Circulation Council, 1990

New Business Promotion Sources cont'd.

NEWSPAPER SPACE

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	—	15%	9%	9%
RESPONSE				
BETTER	—	14%	19%	* 44%
WORSE	—	21%	29%	22%
SAME	—	50%	43%	28%
NO ANSWER	—	14%	10%	6%

CABLE TV

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	—	19%	7%	7%
RESPONSE				
BETTER	—	33%	43%	13%
WORSE	—	—	43%	20%
SAME	—	47%	14%	40%
NO ANSWER	—	20%	—	27%

TV—NETWORK/LOCAL

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	22%	17%	7%	8%
RESPONSE				
BETTER	28%	24%	31%	20%
WORSE	39%	24%	46%	27%
SAME	17%	41%	23%	33%
NO ANSWER	5%	12%	—	20%

PAID DURING SERVICE (PDS) AGENTS

PDS—term used to describe a method of paying for magazine subscriptions in installments, usually weekly or monthly, and usually collected in person by the original sales person or a representative of that company.

N =	1982 (81)	1984 (103)	1986 (279)	1989 (232)
USAGE	15%	12%	6%	6%
RESPONSE				
BETTER	3%	9%	12%	23%
WORSE	2%	27%	6%	15%
SAME	5%	45%	81%	61%
NO ANSWER	2%	18%	—	—

Source: DMA Research Department, Circulation Council, 1990

NUMBER OF ABC-AUDITED CONSUMER MAGAZINE SUBSCRIPTIONS SOLD, BY CHANNEL OF DISTRIBUTION

	1984A	1984B	1985A	1985B	1986A	1986B	1987A	1987B	1988A
MAIL/DIRECT REQUEST	91,523	90,655	95,112	94,151	88,606	94,532	96,427,677	99,595,685	94,924,357
CATALOG AGENCIES	1,360	2,438	1,512	2,344	1,543	2,264	1,418,213	2,459,413	1,505,429
PUBLISHER'S OWN	1,654	1,455	1,290	998	917	1,128	1,317,764	1,444,411	1,504,171
INDEPENDENTS	3,645	3,619	3,874	3,737	4,054	3,792	4,851,334	4,006,107	4,413,126
NEWSPAPER AGENCIES	13	19	14	23	41	21	13,004	21,307	120,197
SCHOOL, CHURCHES, ETC.	2,475	5,366	2,630	5,409	2,412	5,508	2,405,434	5,910,207	2,685,677
ASSOCIATION MEMBERSHIPS	20,112	21,882	21,656	26,700	27,984	26,152	27,562,743	30,153,998	25,596,809
ALL OTHER CHANNELS	1,212	3,816	1,247	3,965	1,410	3,845	1,485,151	1,903,629	1,516,182
TOTAL	121,994	129,250	127,335	137,327	126,967	137,242	135,481,320	145,494,757	134,265,948

A = January–June
B = July–December

Source: ABC Publisher's Statement, as Compiled by David Foster & Associates, Mount Vernon, NY 1989

ABC-AUDITED CONSUMER MAGAZINE SUBSCRIPTIONS SOLD, BY CHANNEL OF DISTRIBUTION, PERCENT OF TOTAL SOLD

	1984A	1984B	1985A	1985B	1986A	1986B	1987A	1987B	1988A
MAIL/DIRECT REQUEST	75.02%	70.14%	74.69%	68.56%	69.79%	68.75%	71.17%	68.45%	70.70%
CATALOG AGENCIES	1.11%	1.89%	1.19%	1.71%	1.22%	1.84%	1.05%	1.69%	1.12%
PUBLISHER'S OWN	1.36%	1.13%	1.01%	0.73%	0.72%	0.83%	0.97%	0.99%	1.12%
INDEPENDENTS	2.99%	2.80%	3.04%	2.72%	3.19%	2.77%	3.58%	2.75%	3.29%
NEWSPAPER AGENCIES	0.01%	0.01%	0.01%	0.02%	0.03%	0.05%	0.01%	0.01%	0.09%
SCHOOL, CHURCHES, ETC.	2.03%	4.15%	2.07%	3.94%	1.90%	4.00%	1.78%	4.06%	2.00%
ASSOCIATION MEMBERSHIPS	16.49%	16.93%	17.01%	19.44%	22.04%	19.09%	20.34%	20. 3%	20.55%
ALL OTHER CHANNELS	0.99%	2.95%	0.98%	2.89%	1.11%	2.65%	1.10%	1.31%	1.13%

A = January–June
B = July–December

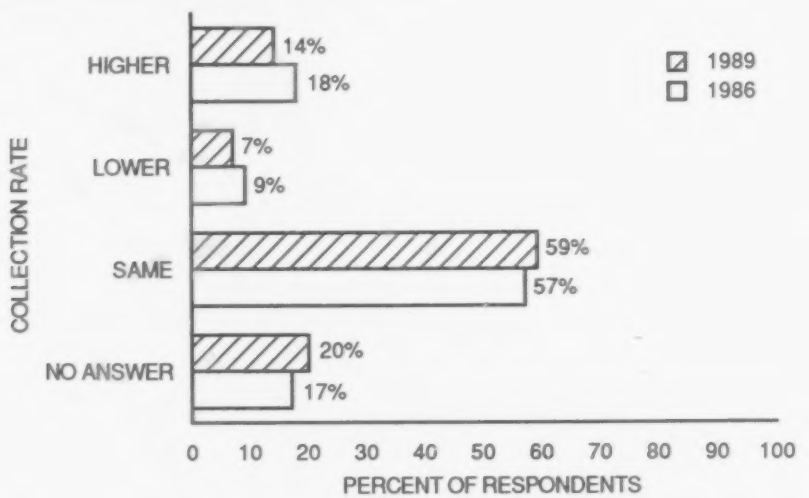
Source: ABC Publisher's Statement, as Compiled by David Foster & Associates, Mount Vernon, NY 1989

SUBSCRIPTION PRICE TRENDS

Following a significant price jump from 1980 to 1982, subscription prices have grown moderately (or with inflation) for several years. Several sources indicate that another price jump may be in the offing as publishers feel the pressure from mounting postage and paper costs. Since 1980, subscription prices have outpaced the consumer price index.

Source: Magazine Publishers of America, 1990

STATUS OF COLLECTION RATE ON CREDIT ORDERS COMPARED WITH PREVIOUS YEAR

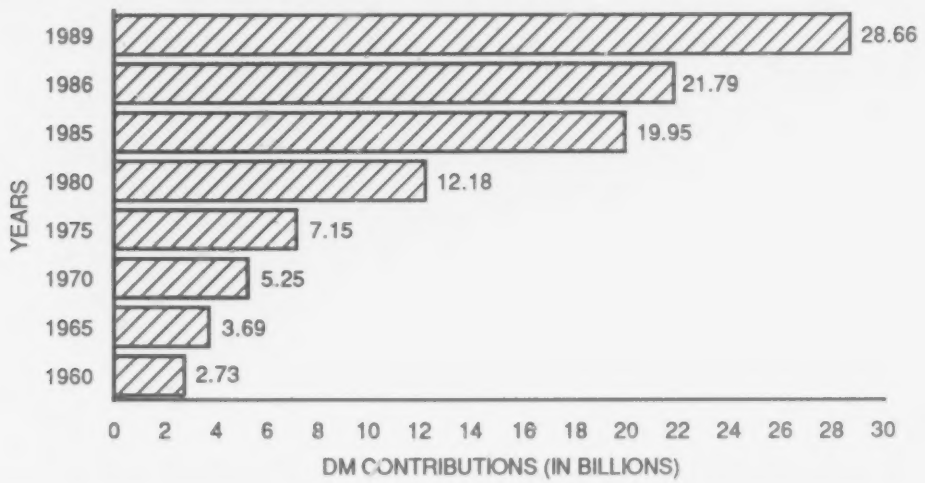


Source: DMA Research Department/Circulation Council: Periodical Publications Survey, 1990

• NON-PROFIT

TRENDS

GROWTH OF DIRECT MAIL PHILANTHROPY
1960–1989 (IN BILLIONS)



Source: Giving USA 1989. AAFRC Trust for Philanthropy.

ESTIMATED DIRECT MAIL CHARITABLE CONTRIBUTIONS
1988 & 1989

	(IN BILLIONS) 1989	1988	% Growth rate of contributions from 1988 to 1989
Religion	$13.57	$12.02	12.90%
Education	2.67	2.56	4.30
Health	2.51	2.39	5.02
Human Services	2.85	2.62	8.78
Arts, Culture & Humanities	1.87	1.70	10.00
Public/Society Benefits	.90	.80	12.50
All Other Uses	4.29	3.87	10.85
Total	28.66	25.96	10.40%

Direct mail charitable contributions are estimated at 24.99% of total charitable contributions.

Source: Giving USA 1989. AAFRC Trust for Philanthropy.

• SPECIALIZED PRODUCTS/ SERVICE MARKETS

BUYING HABITS

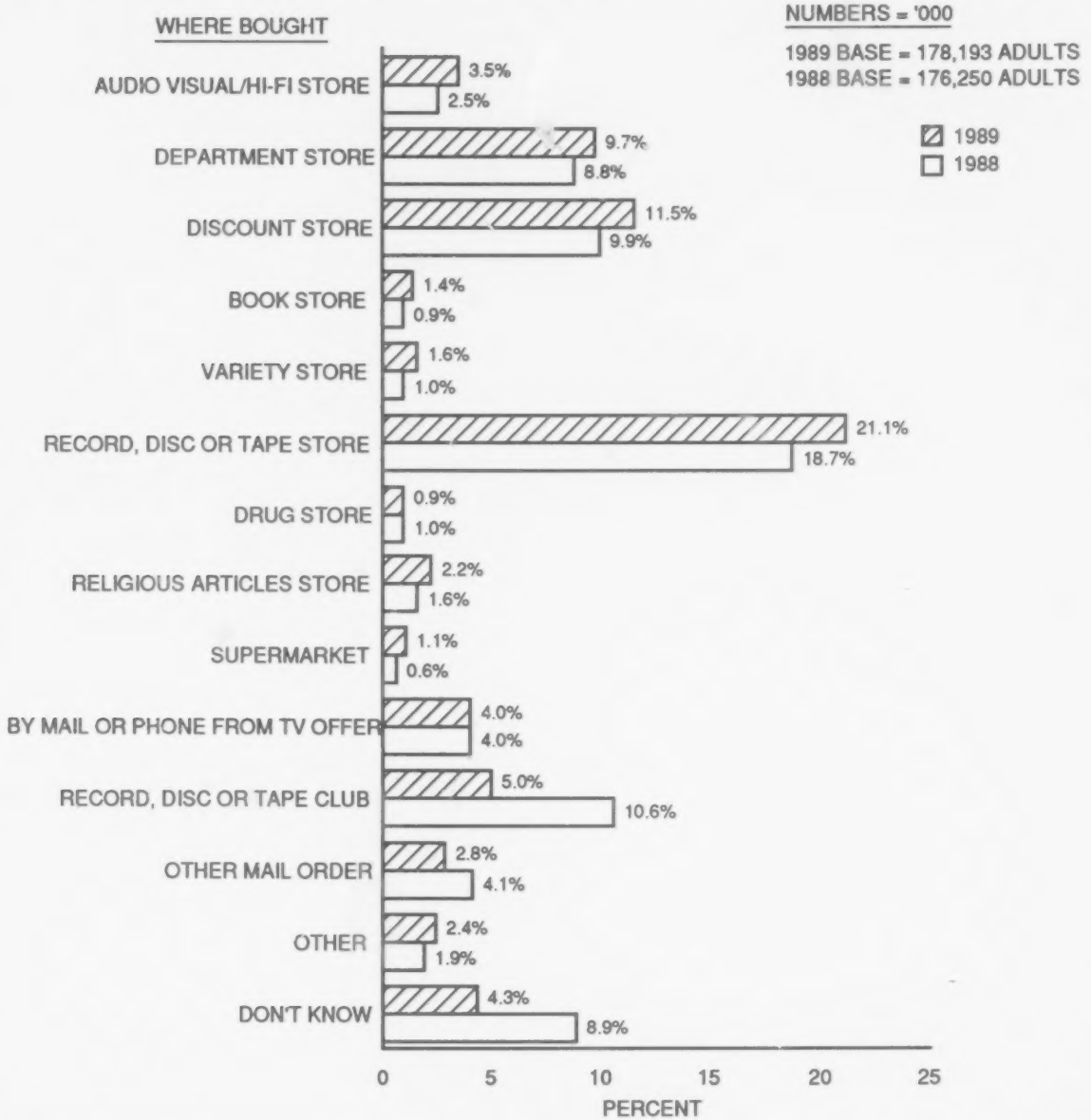
COSTS

TRENDS

RECORDS, DISCS AND TAPES
(WHERE BOUGHT)

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Where did you buy your records, discs or prerecorded tapes in the last 12 months?



Source: Simmons Market Research Bureau: 1988, 1989 Study of Media and Markets.

RECORDS, COMPACT DISCS AND TAPES
PURCHASE SOURCE

The 1989 Study of Media and Markets is a syndicated study on a stratified multi-stage area probability sample of 19,373 adults, interviewed between June 13, 1988 and April 12, 1989. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

	Total U.S. '000	By Mail or Phone From TV Offer '000	%	Other Mail Order '000	%	Record Disc or Tape Club '000	%
Total Adults	178,193	7,110	4.0	4,961	2.8	8,882	5.0
Males	85,056	3,248	3.8	2,215	2.6	4,374	5.1
Females	93,136	3,862	4.1	2,746	2.9	4,508	4.8
18–24	25,713	1,233	4.8	*655	2.5	2,097	8.2
25–34	43,283	1,813	4.2	1,297	3.0	2,717	6.3
35–44	34,804	1,296	3.7	998	2.9	2,252	6.5
45–54	23,902	916	3.8	789	3.3	1,051	4.4
55–64	21,733	776	3.6	637	2.9	*376	1.7
65 or older	28,756	1,076	3.7	586	2.0	*389	1.4
Northeast-Census	37,709	1,084	2.9	1,023	2.7	1,352	3.6
Midwest	43,858	2,090	4.8	1,364	3.1	2,694	6.1
South	61,120	2,395	3.9	1,515	2.5	2,797	4.6
West	35,505	1,541	4.3	1,059	3.0	2,039	5.7
Household income $60,000+	19,957	853	4.3	*426	2.1	1,342	6.7
$50,000 or more	31,697	1,319	4.2	989	3.1	1,996	6.3
$40,000 or more	53,998	2,281	4.2	1,831	3.4	3,397	6.3
$30,000 or more	83,793	3,448	4.1	2,759	3.3	5,300	6.3
$30,000–$39,999	29,795	1,167	3.9	928	3.1	1,903	6.4
$20,000–$29,999	34,040	1,369	4.0	956	2.8	1,494	4.4
$10,000–$19,999	38,419	1,672	4.4	889	2.3	1,434	3.7
Under $10,000	21,942	621	2.8	*357	1.6	654	3.0

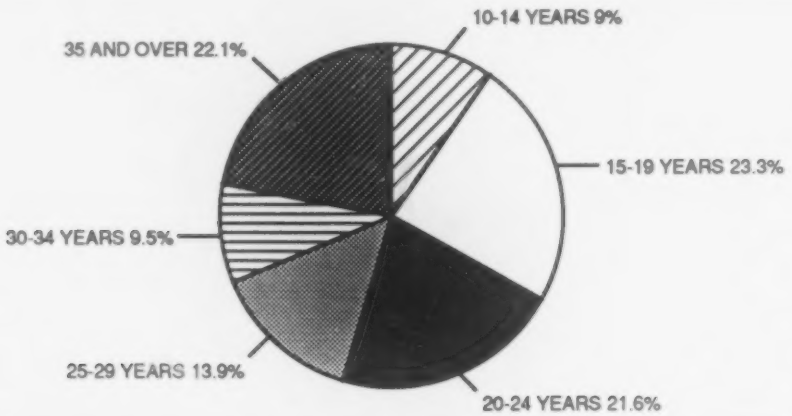
*Projection relatively unstable because of sample base—use with caution.

Source: Simmons Market Research Bureau: 1989 Study of Media and Markets

TOTAL RECORDS AND PRERECORDED TAPES PURCHASED BY AGE BASED ON DOLLAR VOLUME 1988

Every month, Chilton Research Services conducts a consumer survey under the guidance of the Recording Industry Association of America. Consumers are interviewed using a random sampling of approximately 1,225 males and females, out of which an average of 225 record buyers are contacted throughout the U.S.

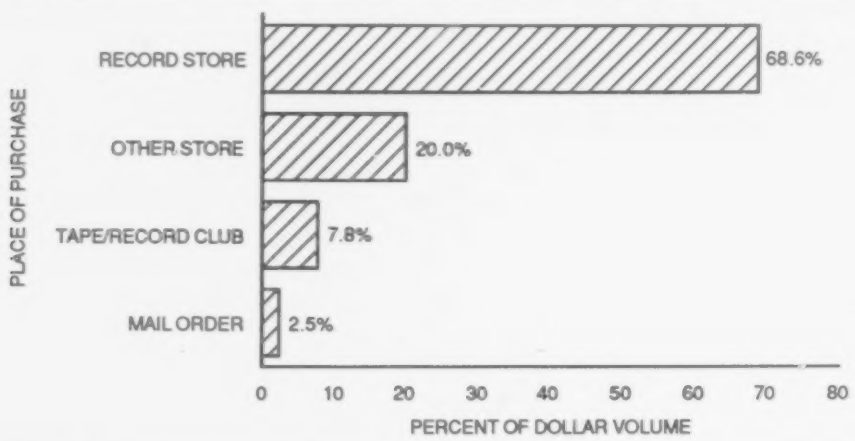
More than half of the dollars spent in 1988 were by consumers under the age of 25.



Source: Recording Industry Association of America, 1989

PRERECORDED PRODUCT
PLACE OF PURCHASE: 1988

Every month, Chilton Research Services conducts a consumer survey under the guidance of the Recording Industry Association of America. Consumers are interviewed using a random sampling of approximately 1,225 males and females, out of which an average of 225 record buyers are contacted throughout the U.S.



Source: Recording Industry Association of America, 1989

BOOK CLUBS

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Bold Type Numbers = 1989
Regular Type Numbers = 1988

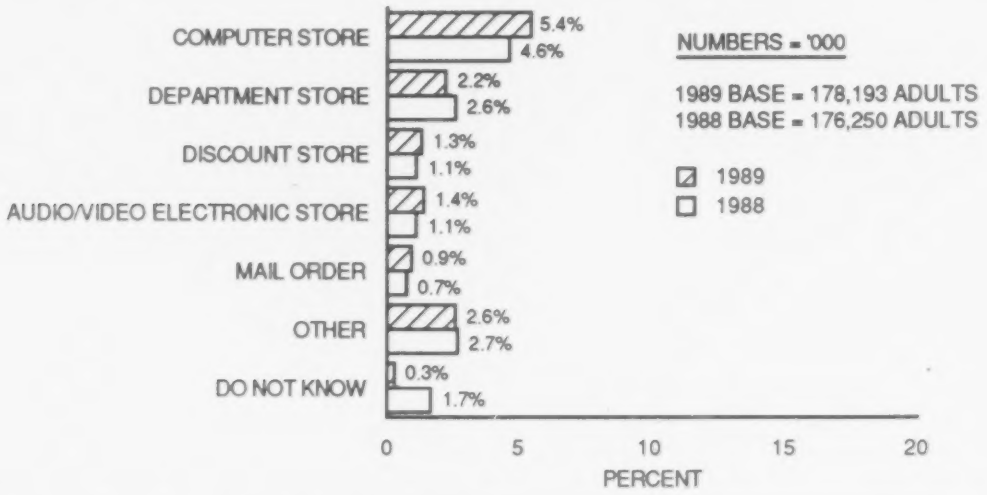
	Total U.S. '000	Belong to a Book Club '000	%	Males '000	%	Females '000	%
Total Adults	**178,193**	**17,695**	**9.9**	**7,855**	**4.4**	**9,840**	**5.5**
	176,250	17,388	9.9	7,300	4.1	10,087	5.7
Males	**85,056**	**7,855**	**9.2**	**7,855**	**9.2**	****0**	****0.0**
	84,066	7,300	8.7	7,300	8.7	**0	**0.0
Females	**93,136**	**9,840**	**10.6**	****0**	****0.0**	**9,840**	**10.6**
	92,184	10,087	10.9	**0	**0.0	10,087	10.9
18–24	**25,713**	**2,524**	**9.8**	**1,304**	**5.1**	**1,220**	**4.7**
	26,535	2,339	8.8	1,059	4.0	1,280	4.8
25–34	**43,283**	**4,758**	**11.0**	**2,094**	**4.8**	**2,664**	**6.2**
	42,634	4,551	10.7	1,709	4.0	2,842	6.7
35–44	**34,804**	**3,729**	**10.7**	**1,754**	**5.0**	**1,976**	**5.7**
	33,688	3,751	11.1	1,479	4.4	2,272	6.7
45–54	**23,902**	**2,590**	**10.8**	**1,149**	**4.8**	**1,441**	**6.0**
	23,361	2,409	10.3	1,145	4.9	1,264	5.4
55–64	**21,733**	**1,894**	**8.7**	**824**	**3.8**	**1,070**	**4.9**
	22,021	2,179	9.9	1,001	4.5	1,178	5.3
65 or older	**28,756**	**2,199**	**7.6**	**730**	**2.5**	**1,469**	**5.1**
	28,011	2,159	7.7	907	3.2	1,252	4.5
Northeast-Census	**37,709**	**3,724**	**9.9**	**1,760**	**4.7**	**1,964**	**5.2**
	37,366	3,763	10.1	1,561	4.2	2,202	5.9
Midwest	**43,858**	**3,611**	**8.2**	**1,416**	**3.2**	**2,195**	**5.0**
	43,426	3,241	7.5	1,299	3.0	1,943	4.5
South	**61,120**	**7,003**	**11.5**	**3,231**	**5.3**	**3,772**	**6.2**
	60,402	7,236	12.0	2,911	4.8	4,327	7.2
West	**35,505**	**3,356**	**9.5**	**1,449**	**4.1**	**1,908**	**5.4**
	35,057	3,145	9.0	1,529	4.4	1,616	4.6
Household income $60,000+	**19,957**	**2,437**	**12.2**	**1,201**	**6.0**	**1,235**	**6.2**
	20,289	2,432	12.0	1,285	6.3	1,147	5.7
$50,000 or more	**31,697**	**3,820**	**12.1**	**1,984**	**6.3**	**1,836**	**5.8**
	31,340	3,919	12.5	2,006	6.4	1,913	6.1
$40,000 or more	**53,998**	**6,969**	**12.9**	**3,419**	**6.3**	**3,550**	**6.6**
	53,108	6,341	11.9	3,039	5.7	3,302	6.2
$30,000 or more	**83,793**	**10,069**	**12.0**	**4,615**	**5.5**	**5,454**	**6.5**
	82,233	9,622	11.7	4,535	5.5	5,087	6.2
$30,000–$39,999	**29,795**	**3,100**	**10.4**	**1,196**	**4.0**	**1,904**	**6.4**
	29,126	3,281	11.3	1,497	5.1	1,785	6.1
$20,000–$29,999	**34,040**	**3,370**	**9.9**	**1,559**	**4.6**	**1,811**	**5.3**
	34,891	3,706	10.6	1,464	4.2	2,242	6.4
$10,000–19,999	**38,419**	**3,082**	**8.0**	**1,238**	**3.2**	**1,844**	**4.8**
	37,097	3,022	8.1	1,077	2.9	1,946	5.2
Under $10,000	**21,942**	**1,173**	**5.3**	***442**	**2.0**	**731**	**3.3**
	22,029	1,038	4.7	*225	1.0	813	3.7

* Projection relatively unstable because of sample base—use with caution.
**Number of cases too small for reliability—shown for consistency only.

Source: Simmons Market Research Bureau, 1988, 1989 Study of Media and Markets

PERSONAL COMPUTERS

Where was it purchased?

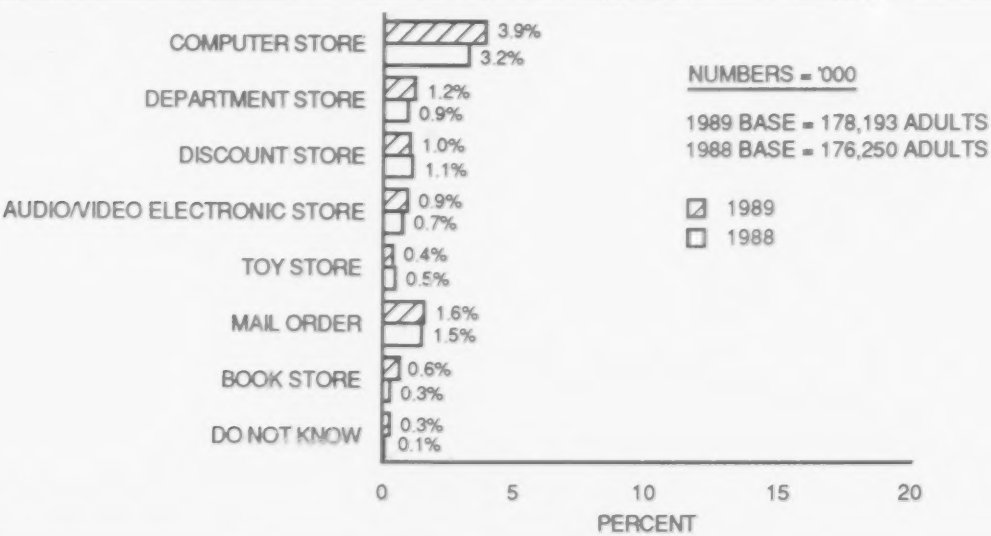


Source: Simmons Market Research Bureau, 1988, 1989 Study of Media and Markets

SOFTWARE

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Where did you purchase your software programs in the last 12 months?

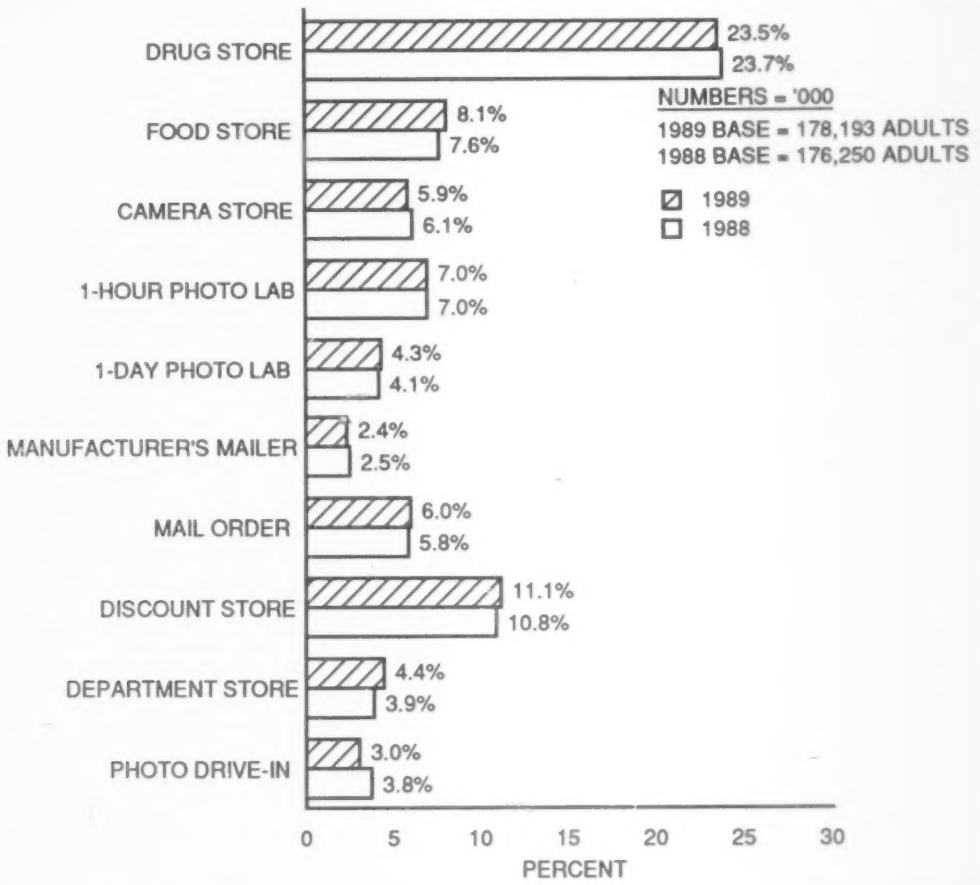


Source: Simmons Market Research Bureau, 1988, 1989 Study of Media and Markets

FILM PROCESSING

The Study of Media and Markets is a syndicated study based on a stratified multi-stage area probability sample of 19,251 adults in 1988 and 19,373 in 1989, interviewed between the months of June and April. The product usage and buying behavior data was gathered through self-administered questionnaires and personal interviews.

Where did you take or send your film for processing?



Source: Simmons Market Research Bureau 1988, 1989 Study of Media & Markets

PERCENTAGE OF COLLEGE AND UNIVERSITY ADVERTISING BUDGETS SPENT ON VARIOUS MEDIA

The Journal of Direct Marketing's "Direct Mail Marketing in Higher Education," Vol. 1, No. 2 by Helen M. Burdinski and William L. Shanklin was conducted by Mail Survey in Spring 1987 among 400 college/universities. A 52% response rate was achieved.

	% of Advertising Budget		
TYPE OF MEDIA	LARGE UNIVERSITIES	MEDIUM-SIZED UNIVERSITIES	SMALL COLLEGES
DIRECT MAIL	24.7%	24.1%	32.1%
MAGAZINES	3.8	5.2	20.5
NEWSPAPERS	41.6	34.9	39.0
OUTDOOR	4.6	4.5	1.4
RADIO	35.6	14.6	11.4
TELEVISION	7.3	16.7	4.7
TRANSIT	0.7	0.2	1.1

*These columns do not total 100% because the cells indicate mean or average responses across all respondents. For instance, on average, the large institutions spent 24.7% of their total advertising budget on direct mail.

Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, 1987

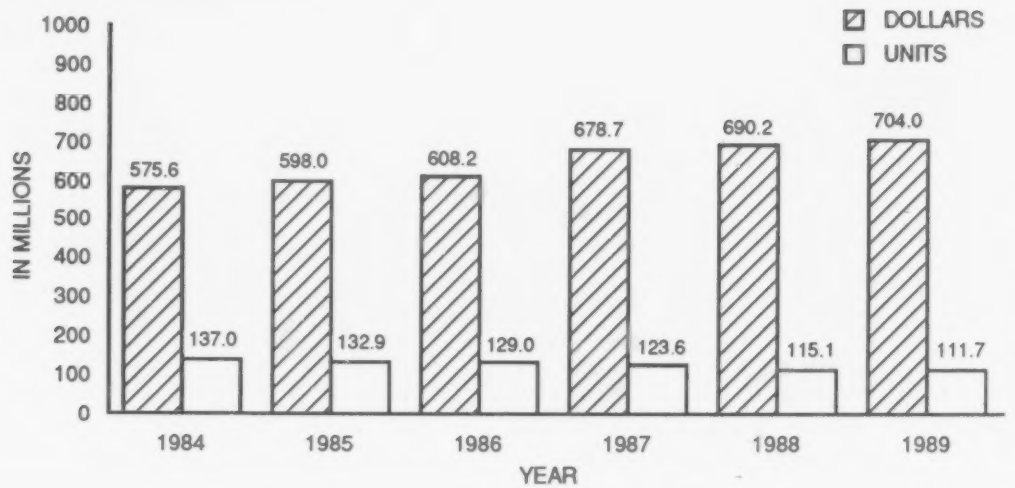
FEATURES EMPHASIZED IN ADVERTISING BY COLLEGES AND UNIVERSITIES

FEATURE	LARGE UNIVERSITIES	MEDIUM-SIZED UNIVERSITIES	SMALL COLLEGES
ACADEMIC REPUTATION*	90.9%	90.9%	78.7%
COURSE OFFERINGS	59.1	68.2	44.3
FACULTY REPUTATION	40.9	77.3	45.5
FACULTY/STUDENT RELATIONSHIPS	31.8	72.7	79.3
LOW COSTS	36.4	45.5	28.1
FRIENDLY	72.7	77.3	76.9
SMALL CLASSES	27.3	68.2	75.2
RELIGIOUS ORIENTATION	9.1	13.6	43.0
SAFE CAMPUS	18.2	4.5	14.9

*Read: 90.9% of the universities with a student body of 10,000 or more undergraduates emphasize their academic reputation as a key selling point or benefit in their direct mail literature to prospective students.

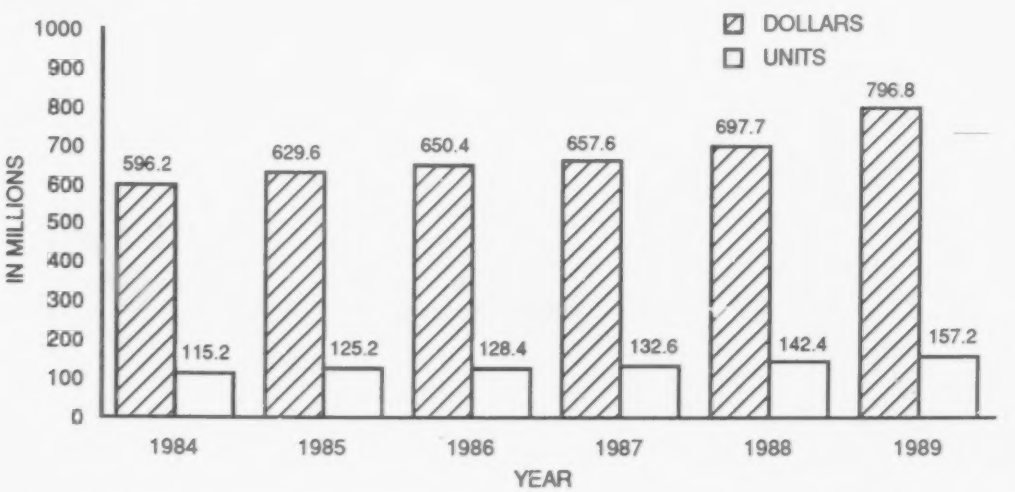
Source: Journal of Direct Marketing, Helen M. Burdenski & William L. Shanklin, 1987

BOOK CLUB SALES 1984–1989
IN DOLLARS AND UNITS



Source: Book Industry Study Group, 1990

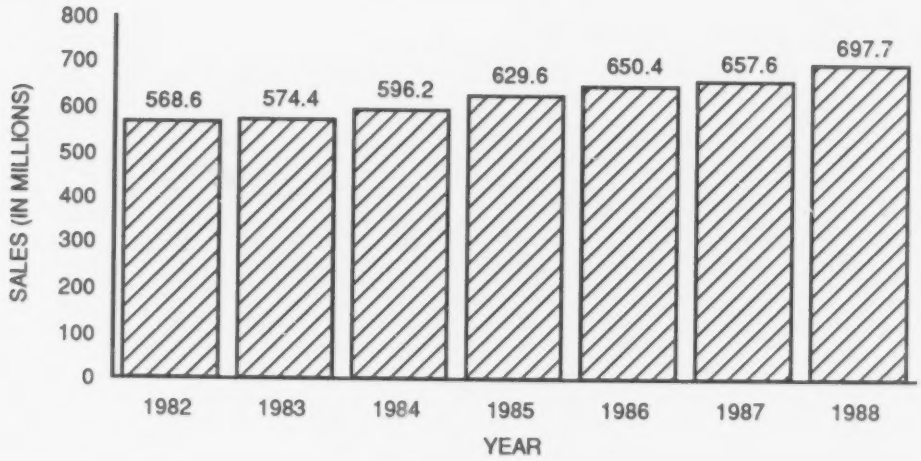
MAIL ORDER PUBLICATION SALES 1984–1989
IN DOLLARS AND UNITS



Source: Book Industry Study Group, 1990

The Association of American Publishers' estimated book publishing industry sales are based on the U.S. Census of Manufacturers. This census is conducted every fifth year.

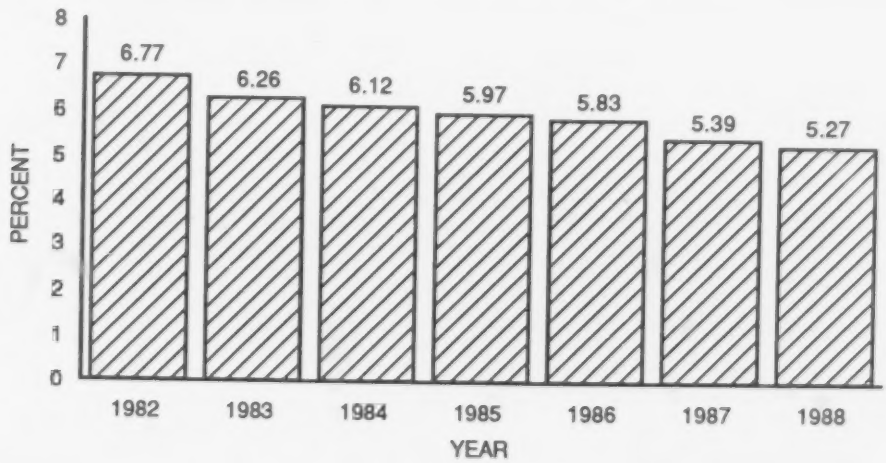
ESTIMATED BOOK PUBLISHING INDUSTRY SALES BY MAIL ORDER: 1982–1988



Source: Association of American Publishers, 1989

MAIL ORDER SALES AS PERCENTAGE OF TOTAL BOOK INDUSTRY SALES: 1982–1988

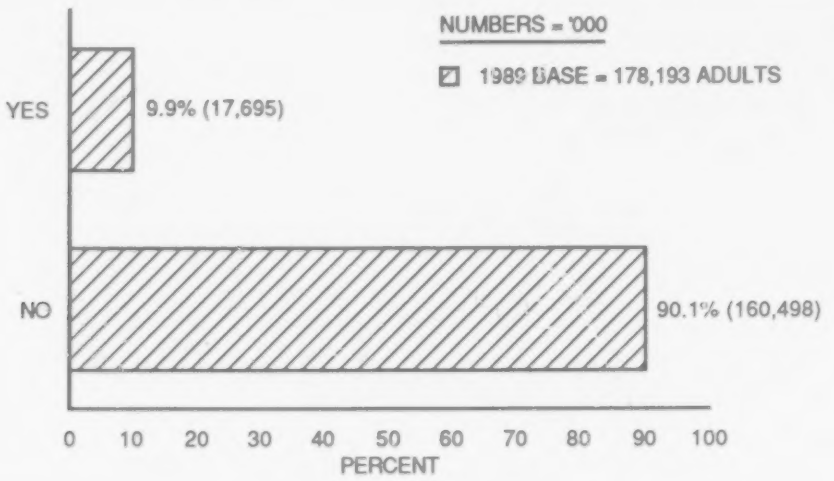
Although mail order sales have increased 22.7% from 1982 to 1988, overall book industry sales have risen at a more rapid rate. As a precentage of total book industry sales, mail order has actually decreased 22.1% from 1982 to 1988.



Source: Association of American Publishers, 1989

BOOK CLUBS

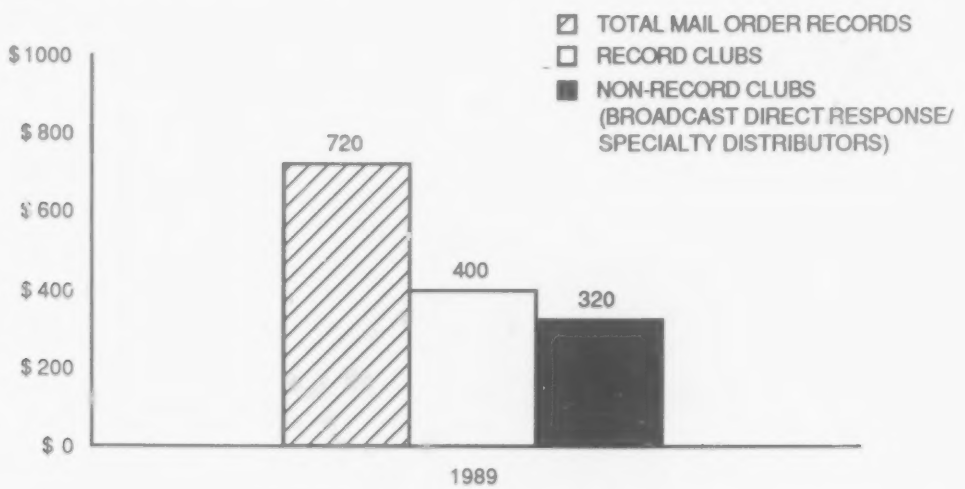
Do you yourself currently belong to any book clubs?



Note: Number in parentheses is in thousands.

Source: Simmons Market Research Bureau, Inc., 1989

1989 MAIL ORDER RECORD MARKET SALES BY TOTALS AND SUB-SEGMENT
(IN MILLIONS)



Source: 1989 Guide To Mail Order Sales, Marketing Logistics

DIRECT MARKETING MANAGEMENT BASICS

- **CUSTOMER SERVICE**
- **USPS INFORMATION**

• CUSTOMER SERVICE

CONSUMER ATTITUDES

COSTS

TRENDS

POTENTIAL USE OF 800 NUMBERS FOR CUSTOMER ASSISTANCE

This report, "800 Numbers for Customer Service: A 1988 Profile," was conducted during the first quarter of 1988 by Technical Assistance Research Programs (TARP) in cooperation with the Society of Consumer Affairs Professionals in Business (SOCAP). The primary purposes of the study were to document the changes which have taken place in businesses' use of 800 numbers for customer service over the past five years and to ascertain the benefits which these numbers have provided to user companies and the innovative uses of the numbers which highlight the current state of the art. Advance letters and questionnaires were mailed to 1,500 companies. A response rate of approximately 30% was achieved.

Industry Segment*	Percent of Customers Likely to Use 800 Number**
Auto Parts/Service	62%
Commercial Fuels	75%
Direct Marketing	80%
Financial Services	81%
Insurance	80%
Office Equipment	69%
Utility	70%

*Companies included in these studies did not operate customer service 800 numbers.
**These customers had a customer service need but chose not to request assistance from the company.

Source: TARP Industry Specific Data, 1988

1990 CUSTOMER SERVICE/FULFILLMENT SALARIES

Crandall Associates, Inc. have determined the salaries by the following process: 1) Discussion with employers, from presidents to personnel officers, throughout the country, in companies varying in geographic areas, number of employees, and sales volume; 2) Personal interviews and discussions with the professionals in Direct Marketing at all salary levels, working from coast to coast; 3) Search assignments that have been received nationally, enabling Crandall Associates, Inc. to confirm the levels that prove to be effective in recruiting candidates from each experience range and serve as a double check on the figures.

Position Title and Description	Years Exp.	Base Salary Range (excluding benefits)		Leading Firms
CUSTOMER SERVICE MANAGER: Responsible for diplomatic, effective satisfaction of customer relations within company's guidelines.	1–3	$17,100	$18,900	$23,000
	4–7	$20,300	$24,700	$27,900
	7+	$25,300	$30,200	$32,500
DATA PROCESSING MANAGER: Responsible for the management information services and systems, design, analysis, and programming.	1–3	$36,000	$41,100	$45,800
	4–7	$43,100	$48,100	$52,100
	7+	$49,600	$54,700	$59,200
FULFILLMENT MANAGER/Magazine: Responsible for list maintenance, cashiering and order processing, billing and renewal scheduling.	1–3	$24,700	$27,700	$31,900
	4–7	$29,300	$34,200	$37,000
	7+	$35,700	$39,400	$45,100
FULFILLMENT MANAGER/Product: Supervises merchandise order entry and processing, customer service, inventory, and warehousing.	1–3	$32,800	$37,300	$41,000
	4–7	$38,900	$42,600	$46,900
	7+	$44,700	$49,400	$53,900
OPERATIONS DIRECTOR: In large organizations responsibilities include manufacturing, production, procedures, budgets, fulfillment.	1–3	$40,300	$45,500	$51,000
	4–7	$49,200	$54,000	$61,500
	7+	$59,000	$67,500	$72,000

Source: Crandall Associates, Inc. 1990

TOP FIVE MAJOR BUSINESS CATEGORIES GENERATING CONSUMER COMPLAINTS

The Better Business Bureaus (BBBs) in the United States handled nearly 10.7 million consumer inquiries and complaints in 1989.

Major Business Categories	Numbers of Complaints*	Aggregate Settlement Rate†
Retail stores	49,870	72.7%
Service firms (except auto)	47,770	69.3%
Home improvement/remodeling companies	40,780	64.0%
Ordered product sales#	40,030	77.5%
Auto/truck/recreational vehicle dealers	27,990	73.7%

*Complaints which a bureau brings to the attention of a business (either orally or in writing) for the purpose of eliciting its response.

†Aggregate Settlement Rate—percentage of complaints that consumers stated were handled to their satisfaction.

#The Better Business Bureaus use the term "Ordered Product Sales" to indicate orders placed by mail or telephone.

Source: Council of Better Business Bureaus, 1990

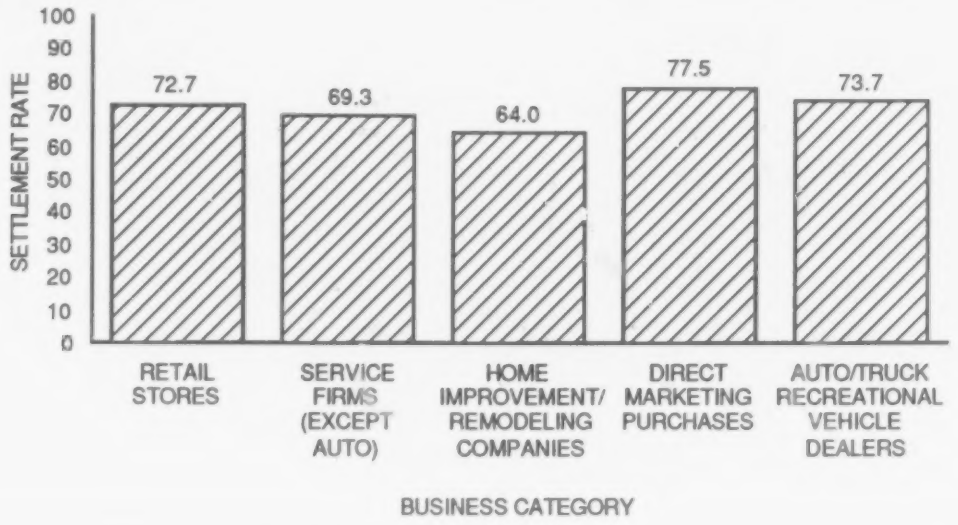
SUMMARY OF BETTER BUSINESS BUREAU ACTIVITY FOR ORDERED PRODUCT SALES

ORDERED PRODUCT SALES*	REPORTS REQUESTED	COMPLAINTS PRESENTED	SETTLEMENT INDEX
Magazine subscriptions by mail	26,240	5,240	80.5
Books and records by mail	12,260	2,950	86.1
Mail order companies, general	175,000	15,660	76.8
Catalogue sales	61,060	7,460	80.3
Ordered by newspaper/magazine ad	26,240	5,240	80.5
Ordered by radio/tv ad	18,230	2,230	78.9
Ordered by telephone	101,160	1,250	59.2
Total ordered product sales	420,190	40,030	77.5
Percentage of activity	7.54	12.09	

*The Better Business Bureaus use the term "Ordered Product Sales" to indicate orders placed by mail or telephone.

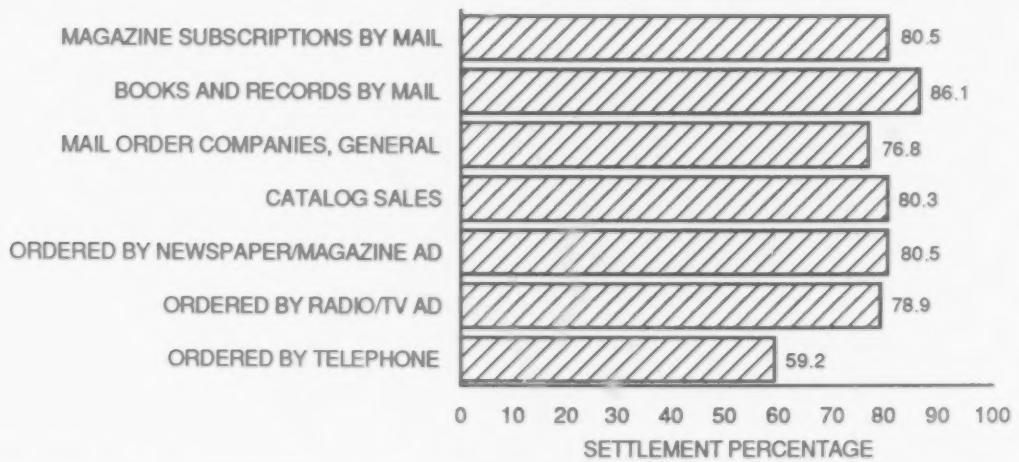
Source: Council of Better Business Bureaus, 1990

SETTLEMENT RATES AMONG MOST COMPLAINED-ABOUT BUSINESS CATEGORIES



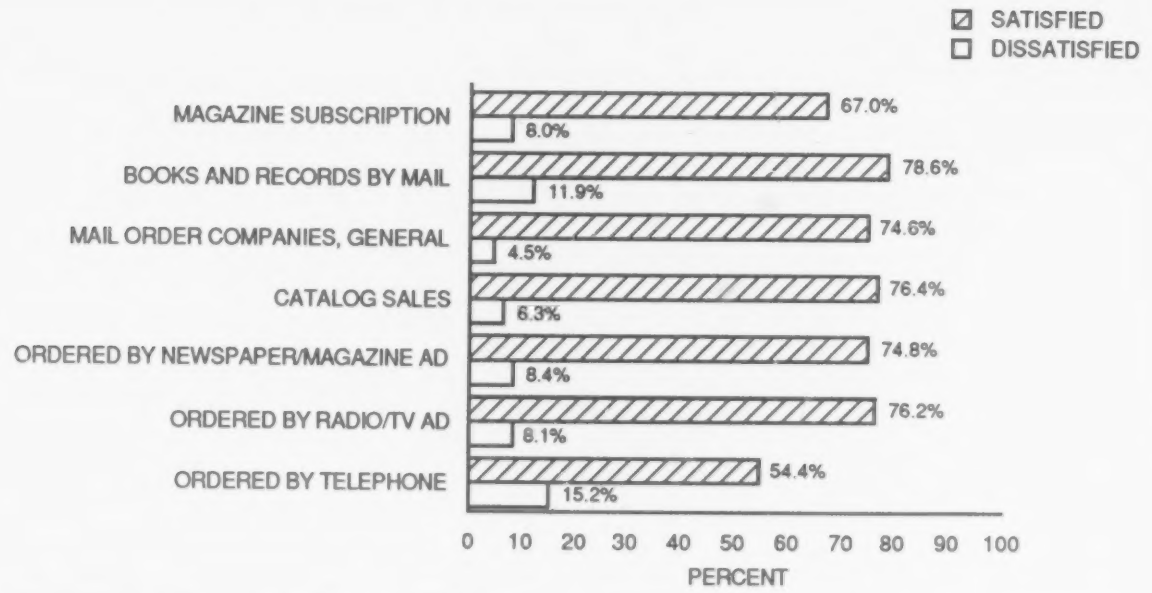
Source: Council of Better Business Bureaus, 1990

AGGREGATE SETTLEMENT RATES WITHIN DIRECT MARKETING



Source: Council of Better Business Bureaus, 1990

ORDERED PRODUCT SALES COMPLAINTS: SATISFACTION RATINGS



Source: Council of Better Business Bureaus, 1990

QUESTION/PROBLEM EXPERIENCE BY INDUSTRY SEGMENT

This report, "800 Numbers for Customer Service: A 1988 Profile," was conducted during the first quarter of 1988 by Technical Assistance Research Programs (TARP) in cooperation with the Society of Consumer Affairs Professionals in Business (SOCAP). The primary purposes of the study were to document the changes which have taken place in businesses' use of 800 numbers for customer service over the past five years and to ascertain the benefits which these numbers have provided to user companies and the innovative uses of the numbers which highlight the current state of the art. Advance letters and questionnaires were mailed to 1,500 companies. A response rate of approximately 30% was achieved.

Industry Segment	Percent with Question/Problem	Time Frame
Auto Parts/Service	30–50%	last contact
Commercial Banking	25–35%	6 months
Commercial Fuels	10–20%	3 months
Direct Marketing	10–20%	3 months
Health Care	30–70%	3 months
Insurance	10–20%	3 months
Leisure	40–50%	last contact
Office Equipment	20–50%	3 months
Retail Banking	20–25%	6 months
Utility	10–45%	3 months

Source: TARP Industry Specific Data, 1988

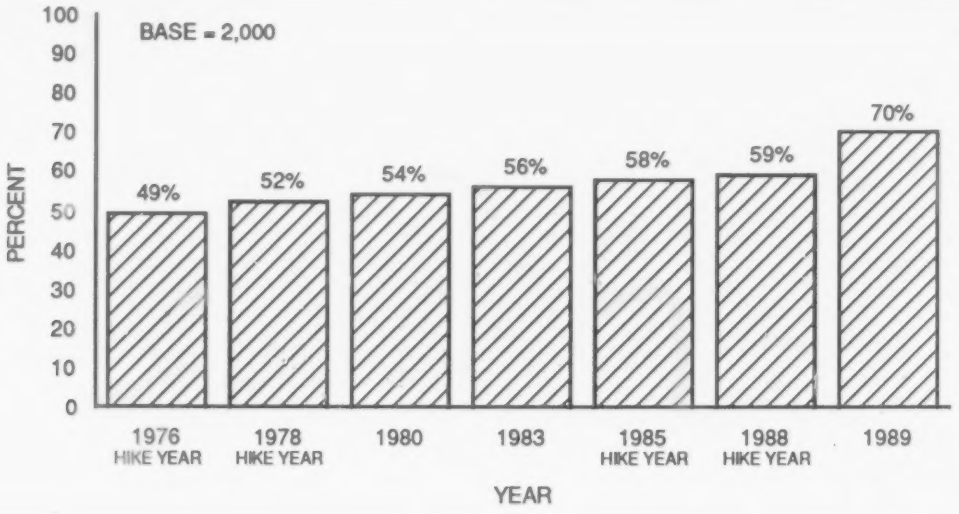
• USPS INFORMATION

CONSUMER ATTITUDES

TRENDS

CONSUMERS RATING POSTAL SERVICE A "GOOD" OR "EXCELLENT" VALUE: 1976–1989

American consumers probably continue to be accepting of rate increases because they feel there aren't many things today that cost as little as 25 cents.



Source: Public Pulse, April 1990

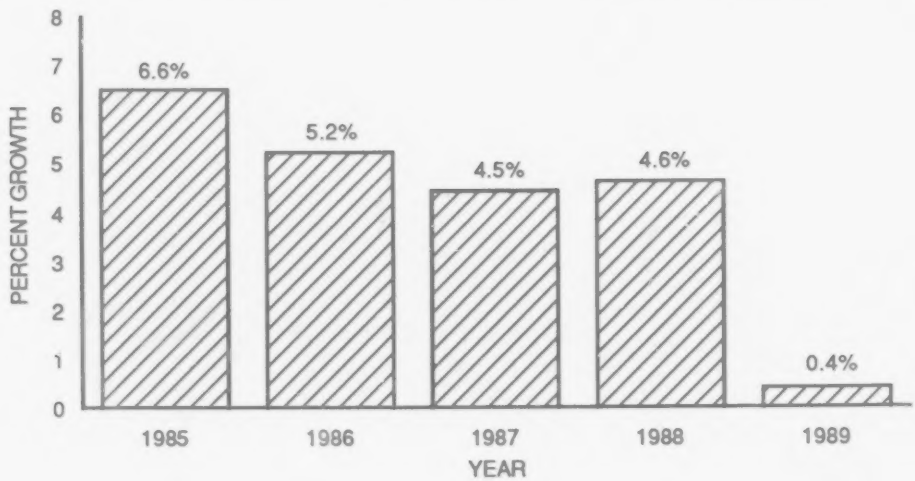
VOLUME OF MAIL: 1986–1989
(IN BILLIONS)

MAIL CLASSIFICATION	1988	1989	PERCENT CHANGE 1988–89
FIRST-CLASS	84.75	85.86	1.3
SECOND-CLASS	10.48	10.52	0.4
THIRD-CLASS	63.25	62.78	−0.7
FOURTH-CLASS	0.67	0.63	−7.1
INTERNATIONAL	0.73	0.72	−0.3
U.S. POSTAL SERVICE*	0.53	0.52	−0.5
ALL OTHER	0.54	0.57	5.0
TOTAL MAIL	160.95	161.60	0.4

*Represents penalty mail only.

Source: Annual Report of the Postmaster General, USPS, 1989

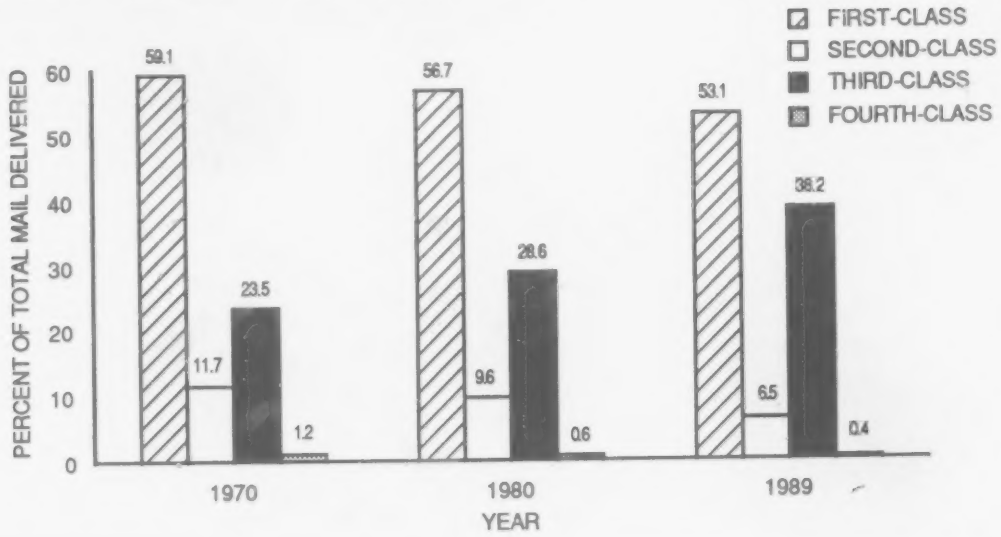
TOTAL DOMESTIC MAIL VOLUME GROWTH RATE: 1985–1989



Source: USPS Domestic Mail Volume History, 1990

MAIL VOLUME BY CLASS: 1970, 1980, 1989

PERCENTAGE OF TOTAL MAIL DELIVERED



Source: USPS, Domestic Mail Volume History, 1990

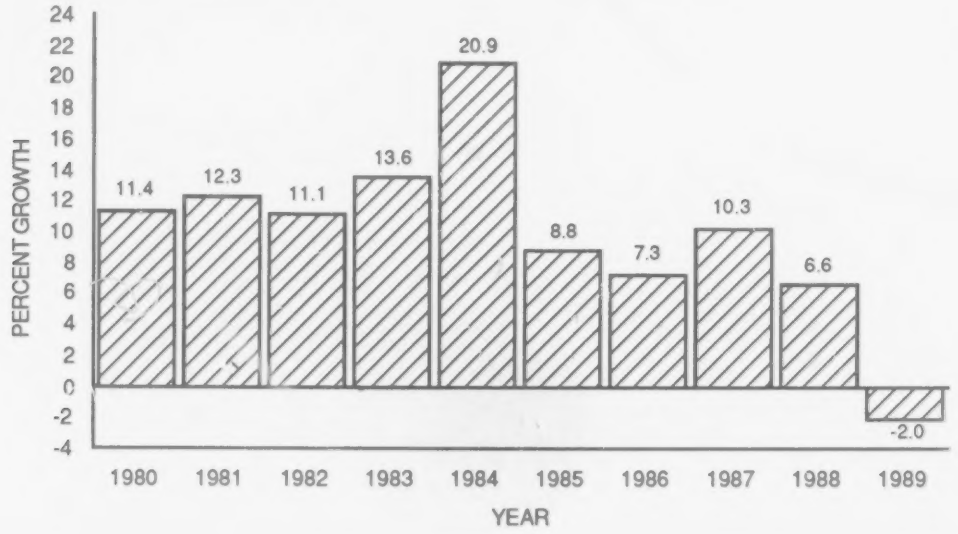
VOLUME OF THIRD CLASS MAIL 1988–1989

(POSTAL FISCAL YEARS: OCT. 1–SEPT. 30)

	1988	1989	1988–89 % CHANGE
SINGLE PIECE RATE	210,890	191,157	– 9.4
BULK RATE			
BASIC	12,049,160	9,656,996	–19.9
CARRIER ROUTE	29,209,430	28,707,528	– 1.7
5-DIGIT	10,530,842	12,365,993	17.4
REGULAR RATE TOTAL	51,789,432	50,730,517	– 2.0
TOTAL NON-PROFIT	11,249,499	11,857,442	– 5.4
TOTAL THIRD CLASS	63,249,821	62,779,116	– 0.7

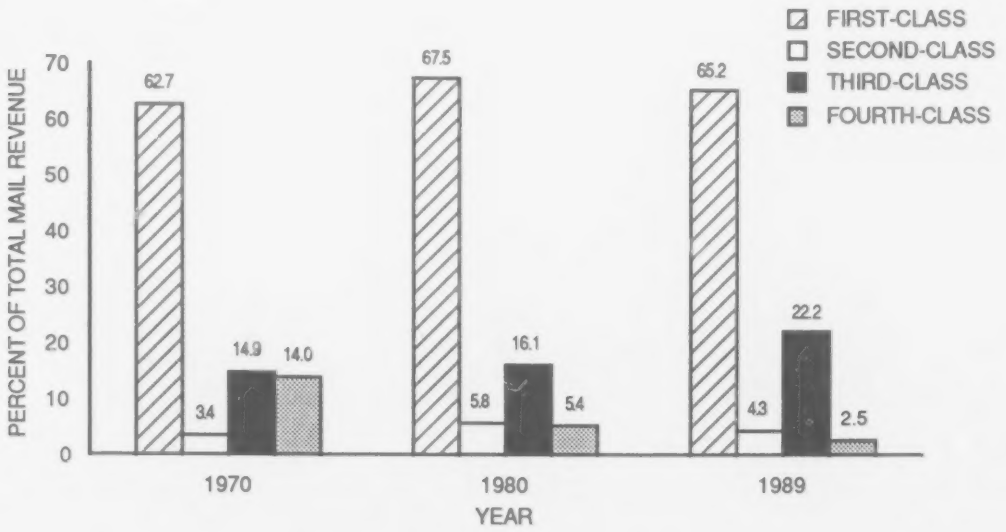
Source: "USPS Revenue, Pieces and Weight By Classes of Mail and Special Services for Fiscal Years 1987–9"

BULK-RATE REGULAR VOLUME GROWTH RATE: 1980–1989
PERCENT CHANGE FOR EACH YEAR



Source: USPS Domestic Mail Volume History, 1990

MAIL REVENUE BY CLASS*: 1970, 1980, 1989
PERCENTAGE OF TOTAL MAIL REVENUE



*Percents do not add up to 100% because priority mail and express mail figures, which are included in total mail revenue figures, are not shown.

Source: USPS, Domestic Mail Revenue History, 1990

THIRD-CLASS PRESORT MAIL VOLUME BULK RATE (REGULAR)
(MILLIONS OF PIECES)

Fiscal Year	Total	"All Other"	Five Digit	Carrier Route
1979	19,742	16,810	—	2,932
1980	21,997	14,797	—	7,018
1981	24,706	11,636	2,528	10,542
1982	27,452	8,791	4,919	13,742
1983	31,186	8,813	5,675	16,698
1984	37,699	9,559	6,748	21,392
1985	41,026	10,429	7,190	23,407
1986	44,006	11,629	8,203	24,174
1987	48,553	12,505	9,304	26,744
1988	50,552	11,921	10,361	28,270
1989	49,731	9,657	12,366	28,708

Source: USPS, Domestic Mail Volume History, 1990.

THIRD-CLASS PRESORT MAIL VOLUME BULK RATE (NON-PROFIT)
(MILLIONS OF PIECES)

Fiscal Year	Total	"All Other"	Five Digit	Carrier Route
1979	7,303	7,303	—	—
1980	7,964	7,875	—	89
1981	8,566	7,775	435	357
1982	9,064	6,169	1,768	1,127
1983	9,381	5,950	2,099	1,332
1984	10,372	6,215	2,529	1,628
1985	10,976	6,314	2,724	1,938
1986	10,888	5,936	2,811	2,141
1987	11,022	5,735	2,922	2,365
1988	11,249	5,791	3,213	2,246
1989	11,857	5,399	3,838	2,620

Source: USPS, Domestic Mail Volume History, 1990.

THIRD-CLASS PRESORT MAIL REVENUE BULK RATE (REGULAR)
(MILLIONS OF DOLLARS)

Fiscal Year	Total	"All Other"	Five Digit	Carrier Route
1979	1,754	1,545	—	209
1980	1,908	1,405	—	503
1981	2,104	1,155	228	721
1982	2,667	1,039	484	1,144
1983	3,039	1,053	568	1,418
1984	3,541	1,142	673	1,726
1985	4,136	1,341	756	2,039
1986	4,670	1,549	886	2,235
1987	5,112	1,671	1,017	2,425
1988	6,056	1,844	1,309	2,903
1989	6,769	1,764	1,771	3,234

Source: USPS Domestic Mail Revenue History, 1990

THIRD-CLASS PRESORT MAIL REVENUE BULK RATE (NON-PROFIT)
(MILLIONS OF DOLLARS)

Fiscal Year	Total	"All Other"	Five Digit	Carrier Route
1979	213	213	—	—
1980	259	256	—	3
1981	301	272	13	16
1982	425	318	74	33
1983	443	310	90	43
1984	497	331	112	55
1985	561	366	128	67
1986	743	458	179	106
1987	836	496	209	131
1988	860	498	238	123
1989	899	463	294	142

Source: USPS Domestic Mail Revenue History, 1990

USPS REQUIREMENTS FOR POSTAL DISCOUNTS

First Class—Letter

BASIC RATE: Indicia must have a minimum of 200 pieces. Marked "First Class". Rate: .25

NONSORTED ZIP+4: Must have ZIP+4, OCR readable, machinable, Barcode clear zone. Marked "First-Class". Minimum of 250 pieces. Rate: .241

PRESORTED: Must sort 5 digit ZIP 10 or more, 3 digit ZIP 50 or more. Marked "Presorted". Minimum of 500 pieces. Rate: .21

PRESORTED ZIP+4: Must have ZIP+4 on 85% of mailing, OCR readable, machinable, Barcode clear zone. Must sort 5 digit ZIP 10 or more, 3 digit ZIP 50 or more. Marked "Presorted". (Optional Automated Center sort—50 or more to Automated Center listed in USPS List 122.63m). Minimum of 500 pieces. Rate: 205

PRESORTED ZIP+4 BARCODED: Must have ZIP+4 Barcode on 85% of mailing, machinable, Barcode clear zone. Must sort 5 digit ZIP 10 or more. Marked "Presorted". Minimum of 500 pieces. Rate: .20

CARRIER ROUTE: Must have 10 or more to same carrier route, rural post, post office box, or general delivery unit. Marked "Carrier Route First Class." Minimum of 500 pieces. Rate: .195

Third Class—Letter

BASIC RATE: Must sort 5 digit ZIP 10 or more, 3 digit ZIP 10 or more, and state and mixed state bundles 10 or more. Marked "Bulk Rate". Rate: .167

NONSORTED ZIP+4: Must have ZIP+4, OCR readable, machinable, Barcode clear zone. Marked "Bulk Rate". Minimum of 200 pieces. Rate: .162

PRESORTED: Must sort 5 digit ZIP 10 or more. Marked "Bulk Rate". Minimum of 200 pieces. Rate: .132

PRESORTED ZIP+4: Must have ZIP+4 on 85% of mailing, OCR readable, machinable, Barcode clear zone. 10 or more to a 5 digit ZIP, 125 pieces to a bag. Marked "Bulk Rate". Minimum of 200 pieces. Rate: .127

PRESORTED ZIP+4 BARCODED: Must have ZIP+4 Barcode on 85% of mailing, machinable, Barcode clear zone. 10 or more to a 5 digit ZIP, 125 pieces to a bag. Marked "Bulk Rate". Minimum of 200 pieces. Rate: .122

CARRIER ROUTE: Must have 10 or more to same carrier route, rural route, post office box, or general delivery unit. Marked "Bulk Rate Carrier Route". Minimum of 200 pieces. Rate: .101

Non-Profit

BASIC RATE: Must sort 5 digit ZIP 10 or more, 3 digit ZIP 10 or more, and state and mixed state bundles 10 or more. Marked "Nonprofit Bulk Rate". If indicia is used a minimum of 200 pieces. Rate: .084

NONSORTED ZIP+4: Must have ZIP+4, OCR readable, machinable, Barcode clear zone. Marked "Nonprofit Bulk Rate". Minimum of 200 pieces. Rate: .079

PRESORTED: Must sort 5 digit ZIP 10 or more. Marked "Nonprofit Bulk Rate". Minimum of 200 pieces. Rate: .076

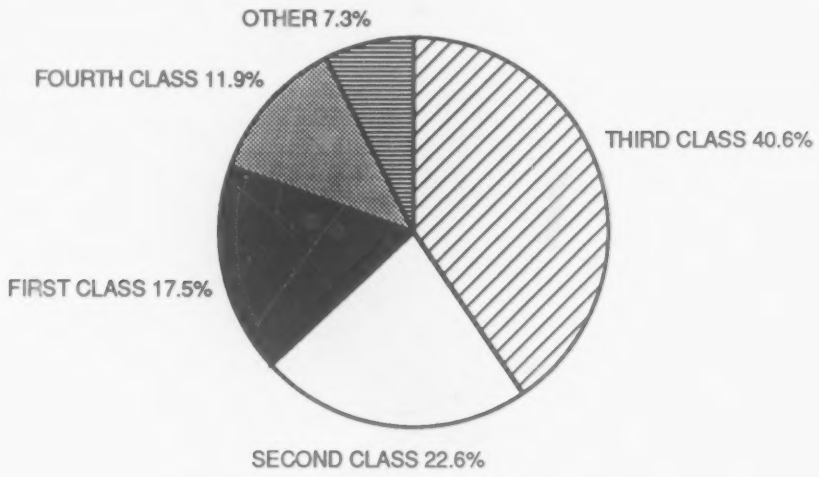
PRESORTED ZIP+4: Must have ZIP+4 on 85% of mailing, OCR readable, machinable, Barcode clear zone. 10 or more to a 5 digit ZIP, 125 pieces to a bag. Marked "Nonprofit Bulk Rate". Minimum of 200 pieces. Rate: .071

PRESORTED ZIP+4 BARCODED: Must have ZIP+4 Barcode on 85% of mailing, machinable, Barcode clear zone. 10 or more to a 5 digit ZIP, 125 pieces to a bag. Marked "Nonprofit Bulk Rate". Minimum of 200 pieces. Rate: .066

CARRIER ROUTE: Must have 10 or more to same carrier route, rural route, post office box, or general delivery unit. Marked "Nonprofit Carrier Route". Minimum of 200 pieces. Rate: .053

Source: Access Direct, Inc. 1989

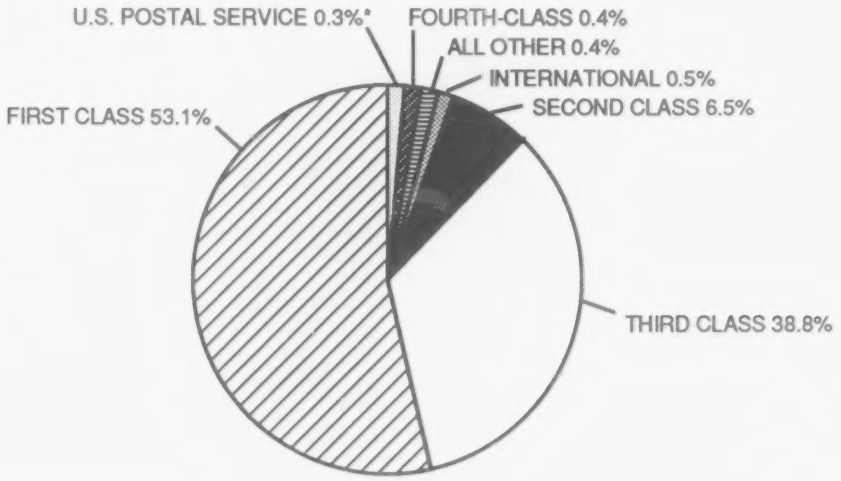
PERCENT WEIGHT OF MAIL BY CLASS



Source: Strategic Futures: The March, 1990 USPS Rate Request and Some Implications, April 1990

COMPOSITION OF MAIL

FISCAL YEAR 1989
(Percentage of total volume by class)



*Represents penalty mail only.

Source: USPS Annual Report of the Postmaster General, 1989

NUMBER OF PIECES OF MAIL ATTRIBUTED TO DIRECT MAIL

1977–1989 (POSTAL FISCAL YEAR—OCT. 1–SEPT. 30)
BASED ON DMA'S POSTAL VOLUME ESTIMATES AND U.S. POSTAL SERVICE REVENUE AND COST ANALYSIS REPORTS
(IN THOUSANDS)

	First Class D.Mail = 20%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 15%	Third Class Single D.Mail = 95%	Third Class Bulk D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog D.Mail = 100%	Int'l Mail D.Mail = 5%	Total #** Pieces	Total USPS # D.Mail Volume Pieces
Total 1977	58,827,034	199,487	28,562	612,518	17,138,794	6,825,799	84,998	684,899	79,402,091	34,247,163
Total DM	10,765,407	9,974	4,284	581,892	16,281,854	6,484,509	84,998	34,245		

	First Class D.Mail = 10%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 95%	Third Class Single D.Mail = 95%	Third Class Bulk D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog D.Mail = 100%	Int'l Mail D.Mail = 5%	Total #** Pieces	Total USPS # D.Mail Volume Pieces
Total 1978	54,557,218	213,329	22,504	539,724	18,684,430	7,020,146	85,431	718,935	81,851,717	30,524,728
Total DM	5,455,722	10,666	4,876	512,738	17,750,209	6,669,139	85,431	35,947		

	First Class D.Mail = 10%	Priority Mail D.Mail = 5%	Mailgrams D.Mail = 15%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 95%	Catalog* D.Mail = 100%	Int'l Mail D.Mail = 5%	Total USPS**# Pieces	Total # D.Mail Volume Pieces
Total 1979	58,215,317	231,835	37,989	444,871	15,509,303	4,492,980	7,552,602	104,087	755,674	87,344,658	32,580,461
Total DM	5,831,532	11,592	5,698	422,627	14,733,838	4,268,331	7,174,972	104,087	37,784		
Total 1980	58,993,087	252,864	39,452	410,959	14,583,864	6,999,788	8,068,948	116,434	733,832	90,199,228	34,514,743
Total DM	5,899,309	12,643	5,918	390,411	13,854,671	6,649,799	7,665,500		36,692		

	First Class D.Mail = 10%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class 5-Digit Presort D.Mail = 95%	Third-Class Non-Profit D.Mail = 95%	Fourth Class Bound Printed Matter D.Mail = 85%	Int'l Mail D.Mail = 5%	Total USPS** # Pieces	Total # D.Mail Volume Pieces
Total 1981	61,410,172	335,168	11,636,430	10,541,579	2,527,621	8,566,607	118,675	885,509		
Total DM	6,141,017	318,410	11,054,608	10,014,500	2,401,239	8,136,277	94,940	44,275	96,021,761	38,207,266

	First Class D.Mail = 7.5%	Third Class Single D.Mail = 95%	Third Class Bulk-Regular D.Mail = 95%	Third Class Bulk-Carrier Presort D.Mail = 95%	Third Class 5-Digit Presort D.Mail = 95%	Third Class Non-Profit D.Mail = 85%	Fourth Class Bound Printed Matter D.Mail = 85%	Int'l Mail D.Mail = 2%	Total USPS** # Pieces	Total # D.Mail Volume Pieces
Total 1982	62,200,212	203,350	8,791,167	13,742,551	4,918,628	9,063,627	156,154	927,541	100,003,230	39,691,848
Total DM	4,665,016	198,183	8,351,609	13,055,423	4,672,697	8,610,446	124,923	18,551		
Total 1983	64,246,880	167,990	8,812,930	16,698,070	5,674,653	9,381,076	168,128	904,821	106,054,548	43,677,504
Total DM	4,818,516	159,591	8,372,284	15,863,167	5,390,920	8,912,022	142,908	18,096		
Total 1984	68,428,570	178,316	9,559,199	21,391,900	6,747,731	10,371,568	194,760	894,840	131,544,620	51,151,864
Total DM	5,132,143	169,400	9,081,239	20,322,305	6,410,344	9,852,990	165,546	17,897		
Total 1985	72,440,277	168,355	10,428,865	23,407,236	7,189,668	10,976,133	212,829	829,404	140,097,956	55,567,258
Total DM	5,808,021	159,937	9,907,422	22,236,874	6,830,185	10,427,326	180,905	16,588		
Total 1986	76,186,648	155,158	11,629,416	24,173,638	8,203,177	10,887,557	249,221	797,727	147,375,805	58,238,290
Total DM	5,713,999	147,400	11,047,945	22,964,956	7,793,018	10,343,179	211,838	15,955		
Total 1987	78,869,309	158,462	12,505,514	26,743,646	9,304,063	11,021,513	255,537	777,816	153,930,575	62,694,702
Total DM	5,915,198	150,539	11,880,258	25,406,454	8,838,860	10,470,437	217,206	15,556		
Total 1988	84,749,464	210,890	12,049,160	29,209,430	10,530,842	11,249,499	308,861	726,226	160,953,625	
Total DM	6,356,210	200,346	11,446,702	27,748,959	10,004,300	9,562,074	262,532	14,525		65,595,648
Total 1989	85,855,457	191,157	9,656,996	28,707,528	12,365,993	11,857,442	312,264	723,855	161,603,264	
Total DM	6,439,159	181,599	9,174,146	27,272,152	11,747,693	10,078,826	265,424	14,477		65,173,476

Note: Priority Mail and Mailgram figures are not reported in the most current years because the volume of dm pieces is not a substantial portion.

*In 1981 the USPS discontinued reporting the catalog figure as a separate category. Since then this figure has been included in the third class mail figures.

**Includes complete USPS volume for all Classes of mail.

Source: Direct Marketing Association/USPS Revenue, Pieces and Weight By Classes of Mail and Special Services for Fiscal Years 1987–89.

USPS EMPLOYEES/FACILITIES

EMPLOYEES	1989	1988	1987	1986	1985
HEADQUARTERS—L'ENFANT PLAZA	**2,261**	2,311	2,101	2,000	2,296
HEADQUARTERS—FIELD SUPPORT UNITS	**5,854**	5,677	5,792	5,552	4,207
INSPECTION SERVICE (FIELD)	**4,256**	4,146	4,278	4,262	4,387
FIELD CAREER EMPLOYEES					
REGIONAL OFFICES	**431**	437	431	595	3,261
POSTMASTERS	**27,178**	27,774	27,735	27,352	27,811
SUPERVISORS	**44,569**	44,170	43,076	40,723	39,034
PROF. ADMIN. TECH. PERSONNEL	**10,475**	10,532	10,582	8,717	7,263
CLERKS	**294,128**	296,712	296,360	290,225	278,462
NURSES	**309**	321	325	328	324
MAILHANDLERS	**50,552**	49,937	48,879	48,095	46,467
CITY DELIVERY CARRIERS	**236,542**	236,160	229,706	224,106	212,667
MOTOR VEHICLE OPERATORS	**7,174**	7,117	7,031	6,866	6,436
RURAL DELIVERY CARRIERS & SUBSTITUTES ON VACANT ROUTES	**40,385**	39,095	36,551	35,938	35,206
SPECIAL DELIVERY MESSENGERS	**2,107**	2,146	2,209	2,295	2,289
BLDG. & EQUIP. MAINTENANCE PERSONNEL	**32,642**	32,418	31,047	30,155	30,332
VEHICLE MAINTENANCE PERSONNEL	**4,880**	4,828	4,705	4,526	4,365
TOTAL CAREER EMPLOYEES	**763,743**	763,781	750,808	731,765	704,807
NON-CAREER EMPLOYEES					
CASUALS	**18,663**	25,043	9,621	20,675	9,157
NON-BARGAINING TEMPORARY	**343**	272	297	309	362
RURAL SUBS/RCA/RCR/AUX	**34,055**	34,573	29,831	31,808	30,164
PM RELIEF/LEAVE REPLACEMENTS	**9,922**	9,814	9,243	8,947	8,372

OFFICES, STATIONS AND BRANCHES	1989	1988	1987	1986	1985
NUMBER OF POST OFFICES	**29,083**	29,203	29,319	29,344	29,557
NUMBER OF STATIONS AND BRANCHES:					
CLASSIFIED STATIONS AND BRANCHES	**4,958**	4,957	4,910	4,240	4,224
CONTRACT STATIONS AND BRANCHES	**4,297**	4,294	4,087	3,965	3,856
COMMUNITY POST OFFICES	**1,693**	1,663	1,714	1,721	1,690
TOTAL	**10,948**	10,914	10,711	9,926	9,770
GRAND TOTAL	**40,031**	40,117	40,030	39,270	39,327

Source: Annual Report of the Postmaster General, USPS, 1989

USPS/INDUSTRY THIRD CLASS MAIL DELIVERY STUDY RESULTS: 1988 & 1989

Early in 1988, the USPS and third-class industry leaders agreed to deliverability testing methodology that would satisfy their objective which was: To obtain a valid measure of delivery for a properly prepared and addressed mailing that would be independent of reporter error. Panels of more than 4,000 reporters were assembled for each test. The panels were divided into two groups: where approximately 20 percent of the reporters findings were verified by the USPS Inspection Service and the remaining 80 percent were not inspector verified. Each panelist was sent a letter alerting them of the test in advance and then two letters reminding them to respond. Here are the reports of tests conducted in 1988 and 1989:

Date:	Type Piece	Non-Delivery Rate	Delivery Range
August 1988	Flat	2.6%	0.0%—5.9%
September 1989	Catalog	4.9%	0.9%—8.9%

Source: USPS Bulk Business Mail Service Performance Measurement Report, February 1990

DMA/DOUBLEDAY BULK THIRD-CLASS DELIVERY TEST

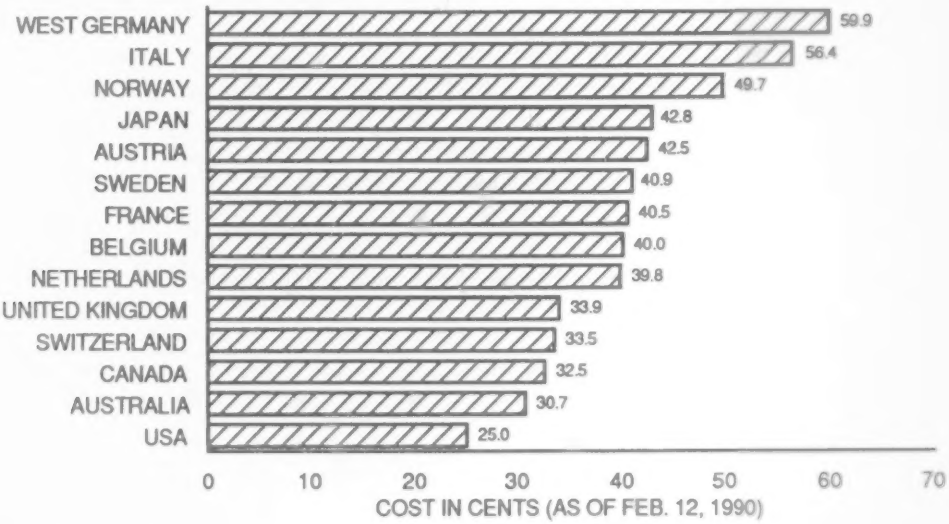
COMPARISON WITH 1981 AND 1983 TESTS
The DMA/Doubleday tests were conducted using the verified home addresses of DMA members who volunteered to report mail delivery results. The 1987 test also included active members of the Third Class Mail Association. Here is a comparison of the results:

Similar delivery tests were run in 1981 and 1983.

	NONDELIVERY-PERCENTAGE		
	1987	1983	1981
TEST PIECE	base = 1613	base = 700	base = 890
LITERARY GUILD FLAT ENDORSED, "FORWARDING AND RETURN POSTAGE GUARANTEED"	3.4%	3.1%	6.6%
LITERARY GUILD FLAT; NO FORWARDING OR RETURN ENDORSEMENT	5.0%	5.4%	8.4%
MERCHANDISE CATALOG			
FINGERHUT	14.1%	—	—
SPIEGEL	—	10.2%	—
DAV (NONPROFIT) LETTER-SIZE	8.1%	—	—
LUVS DIAPERS COUPON	—	18.9%	—

Source: DMA & Doubleday, 1987

FIRST-CLASS MAIL COSTS IN INDUSTRIALIZED COUNTRIES
(IN U.S. CURRENCY, AS OF FEBRUARY 1990)



Source: USPS Annual Report of the Postmaster General, 1989

BRIEF HISTORY OF SELECTED POSTAL RATES 1960–1989

	3RD CLASS BULK (BEFORE PRESORT PROGRAM INITIATED)			
YEAR	EFFECTIVE DATE*	REGULAR BULK MIN. PER PIECE	EFFECTIVE DATE	NON PROFIT MIN. PER PIECE
	1/1/59	2¢	1/1/59	1¢
1960	7/1/60	2.5¢	7/1/60	1.25¢
1961		2.5¢		1.25¢
1962		2.5¢		1.25¢
1963	1/7/63	2.625¢		1.25¢
1964	1/1/64	2.75¢		1.25¢
1965	1/1/65	2.875¢		1.25¢
1966		2.875¢		1.25¢
1967		2.875¢		1.25¢
1968	1/7/68	3.6¢	1/7/68	1.4¢
1969	7/1/69	3.8/4.0¢*	7/1/69	1.6¢
1970		3.8/4.0¢*		1.6¢
1971	5/16/71	4.04/4.2¢*	5/16/71	1.7¢
1972	3/12/72	5.0¢		
	7/6/72	4.85/5.0¢*		1.7¢
1973		4.8/5.0¢*		1.7¢
1974	3/2/74	6.1/6.3¢*	7/6/74	1.8¢
1975	12/31/75	7.7/7.9¢*		1.8¢
1976	7/6/76	7.7/7.9¢*	7/6/76	1.9¢
	7/18/76	7.5/7.7¢*	7/18/76	2.0¢
1977		7.5/7.7¢*	7/6/77	2.1¢
1978	5/29/78	8.4¢	5/29/78	2.4¢
			7/6/78	2.7¢
1979			7/6/79	3.1¢

* = 1st 250M pieces per year at initial figure

Source: Direct Marketing Association, 1989

3RD CLASS MIN. PER PIECE

(BY PRESORT CATEGORY BEGINNING 1979)

YEAR	BULK RATE REGULAR EFFECTIVE DATE	CARRIER ROUTE	FIVE DIGIT	ALL OTHER
1979		6.7¢	n/a	8.4¢
1981	3/22/81	6.4¢	8.8¢	10.4¢
1981	11/1/81	7.9¢	9.3¢	10.9¢
1983	5/22/83	7.4¢	9.3¢	11.0¢
1985	2/17/85	8.3¢	10.1¢	12.5¢
1987	4/3/87	10.1¢	13.2¢	16.7¢
	NON-PROFIT			
1980	7/6/80	3.2¢	n/a	3.5¢
1981	7/6/81	1.9¢	2.9¢	3.8¢
1982	1/10/82	4.0¢	5.0¢	5.9¢
1982	7/24/82	3.0¢	4.0¢	4.9¢
1983	1/9/83	3.3¢	4.3¢	5.2¢
1985	2/17/85	3.4¢	4.9¢	6.0¢
1986	1/1/86	4.8¢	6.3¢	7.4¢
1986	3/9/86	5.7¢	7.2¢	8.7¢
1986	4/20/86	5.5¢	7.1¢	8.5¢
1988	4/3/88	5.3¢	7.6¢	8.4¢

4TH CLASS PARCEL POST LOCAL (ZONES 1, 2, 3)

YEAR	EFFECTIVE DATE	PER PC.	PER LB. (1–5)	YEAR	EFFECTIVE DATE	PER LB. (UP TO 2 LBS.)
1960	2/1/60	20¢	+2¢	1970	11/14/70	60¢
1961		20¢	+2¢			
1962		20¢	+2¢			
1963	4/1/64	25¢	+2¢			
1964		25¢	+2¢	1974	3/2/74	61¢
1965	1/15/67	25¢	+2¢	1975	9/14/75	67¢
1966		25¢	+2¢ + 10¢		12/31/75	77¢
1967			to nearest 5 or 10¢			
1968	10/19/68	45¢	+2¢ – to nearest 5¢	1978	5/29/78	$1.15
				1979		
				1980		
				1981	3/22/81	$1.38
				1985	2/17/85	$1.41
				1988	4/3/88	$1.43

YEAR	1ST CLASS 1ST OZ.		YEAR	3RD CL. SINGLE PIECE 1ST 2 OZS.	
	EFFECTIVE DATE	PER PIECE		EFFECTIVE DATE	PER PIECE
1960	8/1/58	4¢	1960	8/1/58	3¢
1961		4¢	1961		3¢
1962		4¢	1962		3¢
1963	1/7/63	5¢	1963	1/7/63	4¢
1964		5¢	1964		4¢
1965		5¢	1965		4¢
1966		5¢	1966		4¢
1967		5¢	1967		4¢
1968	1/7/68	6¢	1968	1/7/68	6¢
1969		6¢	1969		6¢
1970		6¢	1970		6¢
1971	5/16/71	8¢	1971	5/16/71	8¢
1972		8¢	1972		8¢
1973		8¢	1973		8¢
1974	3/2/74	10¢	1974	3/2/74	10¢
1975	12/31/75	13¢	1975	12/31/75	13¢
1976		13¢	1976	7/18/76	14¢
1977		13¢	1977		14¢
1978	5/29/78	15¢	1978	5/29/78	20¢
1981	3/22/81	18¢	1981	3/22/81	18¢
1981	11/1/81	20¢	1981	11/1/81	20¢
1985	2/17/85	22¢	1985	2/17/85	22¢
1988	4/3/88	25¢	1988	4/3/88	25¢

Source: Compiled by Direct Marketing Association, Inc. 1989

1990 USPS RATE INCREASE PROPOSAL

FIRST CLASS Letters, Flats, Small Parcels	Current Rate (cents)	Proposed Rate (cents)
First ounce		
Unpresorted	25.0	30.0
3/5-Digit Presort	21.0	26.0
Carrier Route Presort	19.5	24.5
Additional Ounces	20.0	23.0
Cards		
Basic Rate	15.0	20.0
3/5-Digit Presort	13.0	18.0
Carrier Route Presort	11.5	16.5
ZIP + 4 Mail		
Letters		
First ounce		
Unpresorted	24.1	28.0
Unpresorted/Prebarcoded	NA	27.0
3-Digit Presort	20.5	25.3
3-Digit Presort/Prebarcoded	NA	24.8
5-Digit Presort/Prebarcoded	20.0	24.3
Cards		
Unpresorted	14.1	19.0
Unpresorted/Prebarcoded	NA	18.0
3-Digit Presort	12.5	17.3
3-Digit Presort/Prebarcoded	NA	16.8
5-Digit Presort/Prebarcoded	12.0	16.3
Business Reply Fees		
Advance Deposit		
Basic Rate	8.0	9.0
Prebarcoded	5.0	3.0
Other Business Reply	40.0	40.0
Priority Mail	$2.40-$72.24	$2.75-$85.75
Express Mail	$7.75-$89.05	$8.75-$103.30

SECOND CLASS		Current Rate (cents)	Proposed Rate (cents)
In-County[1]			
Per Pound		9.4	10.4-12.4
Per Piece		3.2-5.7	3.9-7.7
Outside			
Non-Profit[1]	Per Pound	$8.6-$22.1	$3.0-$27.5
	Per Piece	3.8-12.5	5.8-16.8
Classroom[1]	Per Pound	6.7-15.4	8.0-27.5
	Per Piece	7.3-12.3	5.8-16.8
Regular Rate	Per Pound	12.4-30.2	7.0-36.9
	Per Piece	4.9-16.0	6.9-20.1

THIRD CLASS	Current Rate (cents)	Proposed Rate (cents)	
Single Piece	$0.25-$1.50	$0.30-$1.77	
Regular Bulk		**Letters**	**Flats**
Minimum Piece Rate			
Required Presort			
Basic	16.7	18.5	22.0
ZIP + 4	16.2	17.1	NA
Prebarcoded	NA	16.1	NA
3/5-Digit Presort			
5-Digit Presort	13.2	NA	NA
3/5-Digit Presort	NA	15.4	17.5
5-Digit ZIP + 4	12.7	NA	NA
3/5-Digit ZIP + 4	NA	14.7	NA
5-Digit ZIP + 4/Prebarcoded	12.2	NA	NA
3-Digit Prebarcoded	NA	13.9	NA
5-Digit Prebarcoded	NA	13.2	NA

THIRD CLASS Regular Bulk (cont'd)	Current Rate (cents)	Proposed Rate (cents)	
Carrier Route Presort		**Letters**	**Flats**
Carrier Route	10.1	12.3	13.4
Saturation	NA	11.3	11.3
Pound Rate	48.0	NA	53.7
Plus Per Piece:			
Required Presort	6.6	NA	10.7
5-Digit Presort	3.1	NA	NA
3/5-Digit Presort	NA	NA	6.2
Carrier Route	0.0	NA	2.1
Saturation	NA	NA	0.0
Non-Profit Bulk[1]			
Minimum Piece Rate			
Required Presort			
Basic	8.4	11.0	12.5
ZIP + 4	7.9	9.9	NA
Prebarcoded	NA	9.0	NA
3/5-Digit Presort			
5-Digit Presort	7.6	NA	NA
3/5-Digit Presort	NA	9.7	11.1
5-Digit ZIP + 4	7.1	NA	NA
3/5-Digit ZIP + 4	NA	9.1	NA
5-Digit ZIP + 4/Prebarcoded	6.6	NA	NA
3-Digit Prebarcoded	NA	8.3	NA
5-Digit Prebarcoded	NA	7.5	NA
Carrier Route Presort			
Carrier Route	5.3	7.3	8.0
Saturation	NA	7.0	7.0
Pound Rate	25.0	NA	33.1
Plus Per Piece:			
Required Presort	3.1	NA	5.5
5-Digit Presort	2.3	NA	NA
3/5-Digit Presort	NA	NA	4.1
Carrier Route	0.0	NA	1.0
Saturation	NA	NA	0.0

Third Class Drop Ship Discounts (Regular and Non-Profit)
Piece Rate Mail (per piece)
BMC: 1.2 cents; SCF: 1.7 cents; Delivery Office: 2.2 cents
Pound Rate Mail (per pound)
BMC: 5.8 cents; SCF: 8.1 cents; Delivery Office: 10.4 cents

FOURTH CLASS		
Parcel Post	$1.43-$26.61	$1.57-$39.95
Bound Printed Matter		
Single Piece	$0.67-$5.80	$0.86-$5.74
Bulk	$0.30-$5.27	$0.37-$4.99
Special Rate[1]		
First Pound		
Unpresorted	90.0	$1.03
Level A Presort	65.0	57.0
Level B Presort	83.0	86.0
Additional Pounds		
To 7 Pounds	35.0	41.0
Over 7 Pounds	20.0	23.0
Library Rate		
First Pound	64.0	65.0
Additional Pounds		
To 7 Pounds	23.0	24.0
Over 7 Pounds	12.0	12.0

[1]At projected appropriation levels

Source: Direct Marketing Association, 1990

NOTES